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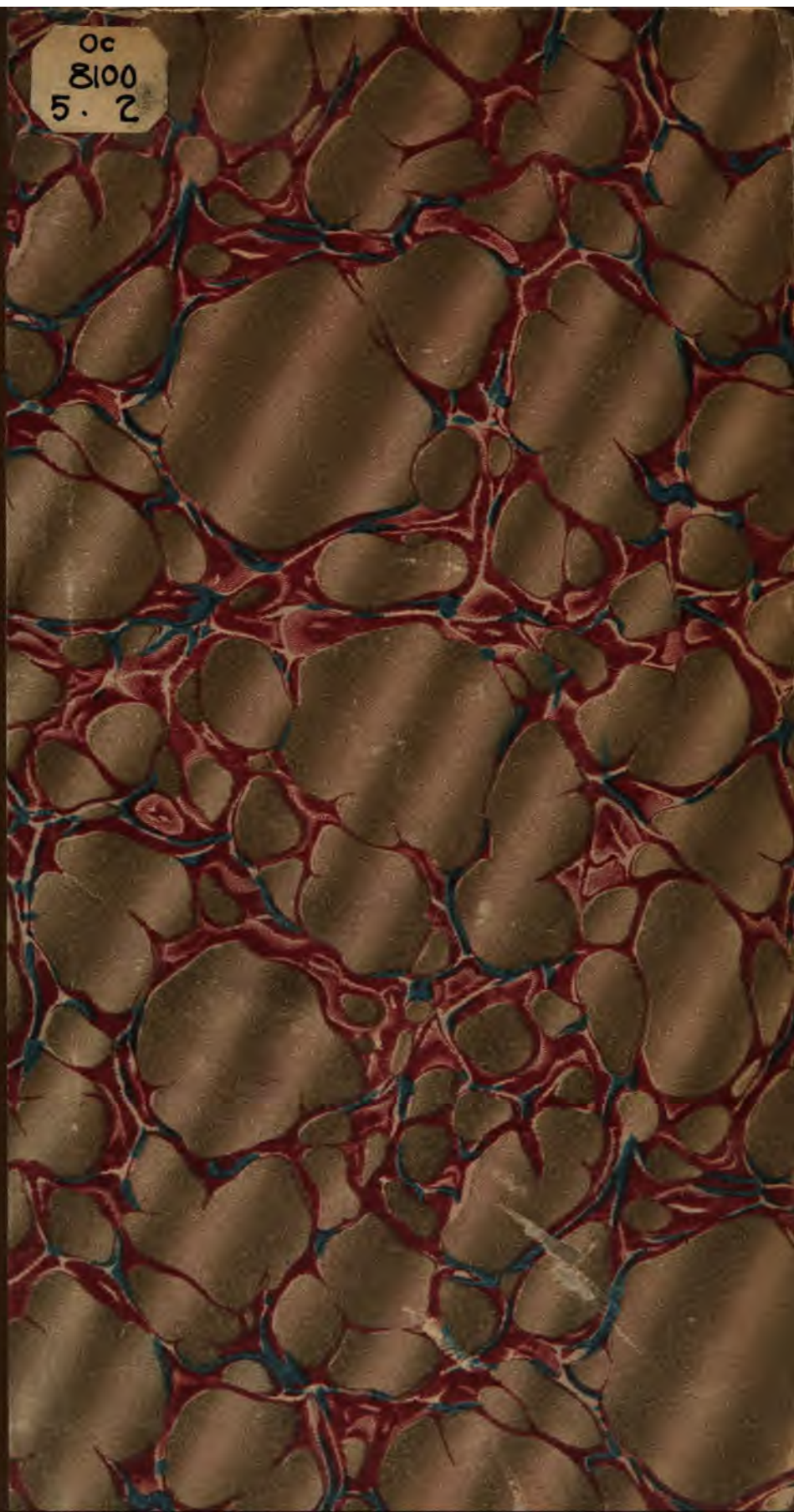
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FROM

Gov Gen. Leonard Wood

WAR DEPARTMENT . . . OFFICE OF SECRETARY

SPECIAL REPORT OF

WM. H. TAFT

Secretary of War

TO THE PRESIDENT

ON THE PHILIPPINES



WASHINGTON
GOVERNMENT PRINTING OFFICE
1905

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Rev. Ken Leonard 1900.

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To the Senate and House of Representatives:

I transmit herewith the report of Secretary Taft upon his recent trip to the Philippines. I heartily concur in the recommendations he makes, and I call especial attention to the admirable work of Governor Smith and his associates. It is a subject for just national gratification that such a report as this can be made. No great civilized power has ever managed with such wisdom and disinterestedness the affairs of a people committed by the accident of war to its hands. If we had followed the advice of the misguided persons who wished us to turn the islands loose and let them suffer whatever fate might befall them, they would have already passed through a period of complete and bloody chaos, and would now undoubtedly be the possession of some other power which there is every reason to believe would not have done as we have done; that is, would not have striven to teach them how to govern themselves or to have developed them, as we have developed them, primarily in their own interests. Save only our attitude toward Cuba, I question whether there is a brighter page in the annals of international dealing between the strong and the weak than the page which tells of our doings in the Philippines. I call especial attention to the admirably clear showing made by Secretary Taft of the fact that it would have been equally ruinous if we had yielded to the desires of those who wished us to go faster in the direction of giving the Filipinos self-government, and if we had followed the policy advocated by others, who desired us simply to rule the islands without any thought at all of fitting them for self-government. The islanders have made real advances in a hopeful direction, and they have opened well with the new Philippine Assembly; they have yet a long way to travel before they will be fit for complete self-government, and for deciding, as it will then be their duty to do, whether this self-government shall be accompanied by complete independence. It will probably be a generation, it may even be longer, before this point is reached; but it is most gratifying that such substantial progress toward this as a goal has already been accomplished. We desire that it be reached at as early a date as possible for the sake of the Filipinos and for our own sake. But improperly to endeavor to hurry the time will probably mean that the goal will not be attained at all.

THEODORE ROOSEVELT.

THE WHITE HOUSE,
January 27, 1908.

SPECIAL REPORT OF THE SECRETARY OF WAR.

WAR DEPARTMENT,
Washington, D. C., January 23, 1908.

MR. PRESIDENT:

By your direction I have just visited the Philippine Islands. I sailed from Seattle September 13, last; reached Manila October 15; remained in the Islands until November 9, when I returned to the United States via Trans-Siberian Railway, reaching New York December 20. The occasion for my visit was the opening of the Philippine Assembly. The members of the Assembly were elected in July last, in accordance with the organic act of Congress, by the eligible voters of the Christian provinces of the Islands, divided into 80 districts. The Assembly becomes a branch of the legislature of the Islands coordinate with the Philippine Commission. This makes a decided change in the amount of real power which the Philippine electorate is to exercise in the control of the Islands. If justified by substantial improvement in the political conditions in the Islands, it is a monument of progress.

It is more than nine years since the battle of Manila Bay and the subsequent surrender of Manila by the Spaniards to the American forces. It is more than eight years since the exchange of ratifications of the treaty of Paris, by which the Philippine Islands passed under the sovereignty and became the property of the United States. It is more than seven years since President McKinley, by written instructions to Mr. Root, Secretary of War, committed the government of the Philippine Islands to the central control of the Philippine Commission, subject to the supervision of the Secretary of War. It is more than six years since the complete installation of a quasi civil government in the Islands, with a civil governor as executive and the Commission as a legislature, all by authority of the President as Commander in Chief of the Army and Navy. It is more than five years since the steps taken by President McKinley and yourself in establishing and maintaining a quasi civil government in the Islands were completely ratified and confirmed by the Congress in an organic act which, in effect, continued the existing government, but gave it needed powers as a really civil government that the President under constitutional limitations was unable to confer. The installation of the Assembly seems to be, therefore, an appropriate time for a precise statement of the national policy toward the people of the Philippines adopted by Mr. McKinley, continued by you, and confirmed by Congress, for an historical summary of the conditions political, social, and material, existing in the Islands when the United States became responsible for their government, and for a

review of the results of governmental measures taken to improve the conditions of law and order, the political and intellectual capacity of the people, and their sanitary and material welfare.

The policy of the United States toward the Philippines is, of course, ultimately for Congress to determine, and it is difficult to see how one Congress could bind another Congress, should the second conclude to change the policy declared by the first. But we may properly assume that after one Congress has announced a policy upon the faith of which a whole people has for some years acted and counted, good conscience would restrain subsequent Congresses from lightly changing it. For four years Congress in silence permitted Mr. McKinley and yourself, as Commanders in Chief of the Army, to adopt and carry out a policy in the Philippines, and then expressly ratified everything which you had done, and confirmed and made part of the statute certain instructions which Mr. McKinley issued for the guidance of the Philippine Commission in making civil government in the Islands. Not only this, but Congress closely followed, in the so-called organic act, your recommendations as to provisions for a future change in the Philippine government. The national policy may, therefore, be found in the course pursued and declarations made by the Chief Executives in Congressional messages and other state papers which have met the approval of Congress.

Shortly stated, the national policy is to govern the Philippine Islands for the benefit and welfare and uplifting of the people of the Islands and gradually to extend to them, as they shall show themselves fit to exercise it, a greater and greater measure of popular self-government. One of the corollaries to this proposition is that the United States in its government of the Islands will use every effort to increase the capacity of the Filipinos to exercise political power, both by general education of the densely ignorant masses and by actual practice, in partial self-government, of those whose political capacity is such that practice can benefit it without too great injury to the efficiency of government. What should be emphasized in the statement of our national policy is that we wish to prepare the Filipinos for *popular* self-government. This is plain from Mr. McKinley's letter of instructions and all of his utterances. It was not at all within his purpose or that of the Congress which made his letter part of the law of the land that we were merely to await the organization of a Philippine oligarchy or aristocracy competent to administer government and then turn the Islands over to it. On the contrary, it is plain, from all of Mr. McKinley's utterances and your own, in interpretation of our national purpose, that we are the trustees and guardians of the whole Filipino people, and peculiarly of the ignorant masses, and that our trust is not discharged until those masses are given education sufficient to know their civil rights and maintain

them against a more powerful class and safely to exercise the political franchise. This is important, in view of the claim, to which I shall hereafter refer, made by certain Filipino advocates of immediate independence under the auspices of the Boston anti-imperialists, that a satisfactory independent Philippine government could be established under a governing class of 10 per cent and a serving and obedient class of 90 per cent.

Another logical deduction from the main proposition is that when the Filipino people as a whole, show themselves reasonably fit to conduct a popular self-government, maintaining law and order and offering equal protection of the laws and civil rights to rich and poor, and desire complete independence of the United States, they shall be given it. The standard set, of course, is not that of perfection or such a governmental capacity as that of an Anglo-Saxon people, but it certainly ought to be one of such popular political capacity that complete independence in its exercise will result in progress rather than retrogression to chaos or tyranny. It should be noted, too, that the tribunal to decide whether the proper political capacity exists to justify independence is Congress and not the Philippine electorate. Aspiration for independence may well be one of the elements in the make-up of a people to show their capacity for it, but there are other qualifications quite as indispensable. The judgment of a people as to their own political capacity is not an unerring guide.

The national Philippine policy contemplates a gradual extension of popular control, *i. e.*, by steps. This was the plan indicated in Mr. McKinley's instructions. This was the method indicated in your recommendation that a popular assembly be made part of the legislature. This was evidently the view of Congress in adopting your recommendation, for the title of the act is "For the temporary government of the Philippine Islands" and is significant of a purpose or policy that the government then being established was not in permanent form, but that changes in it from time to time would be necessary.

In the historical summary of conditions in the Islands when the United States assumed responsibility for their government and the review of measures adopted by the present Philippine government to improve conditions and the results, it will be convenient to consider the whole subject under the following heads:

1. The conditions as to law and order. The way in which they have been restored and are now permanently maintained.

2. The political capacity and intellectual development of the Filipinos under Spain and the steps taken by the Philippine government for their general and political education.

3. Conditions of health under Spain. The sanitary measures under the Philippine government.

4. The material and business conditions. Progress made under present government.
5. The future of the Philippines.
6. The cost of the Philippine government to the United States.

**THE CONDITIONS AS TO LAW AND ORDER—THEIR RESTORATION
AND PERMANENT MAINTENANCE.**

In 1896 occurred the first real insurrection against the Government of Spain in the Philippine Islands. The idea of a more liberal government than that which Spain gave the Islands had taken root in 1871 with the opening of the Suez Canal, the flocking of Spaniards to Manila, and the spread of republican doctrines that had had a short triumph in the mother country about that time. In the measures of repression which were adopted from time to time by Spanish governors-general the aid of Spanish parish priests was thought by the people to be actively enlisted in ferreting out those suspected of sedition and too liberal political views. The priests were largely from the four religious orders—the Dominicans, the Augustinians, the Franciscans, and the Recoletos. There was a considerable body of native priests also, but they were of the secular clergy, held the less desirable posts, and were hostile to the Spanish friars. Three of the religious orders held large bodies of rich agricultural lands situate, much of it, in Cavite, Laguna, Manila, Morong, Bataan, and Bulacan, all thickly populated provinces close to Manila. Their tenants numbered sixty or seventy thousand persons. The insurrection of 1896 was not only against the Spanish Government to secure a more liberal régime, but it was also for the elimination of the friars as a controlling political element in the community. It was largely confined to Cavite, Laguna, Manila, and Bulacan, where lay the large friars' estates. It had an agrarian aspect. There was much fighting, and the losses on both sides were very heavy, especially in the province of Cavite. Ultimately the drastic measures of the Spaniards drove Aguinaldo and the forces which he led out of Cavite into Bulacan and led to what was known as the treaty of Biac-na-Bató. This was an arrangement by which many of the insurrecto chiefs, including Aguinaldo, agreed, in consideration of the payment of a large sum of money, to end the insurrection and withdraw from the Islands. The money was to be paid in three installments. The first payment was made, and many of the chiefs, including Aguinaldo, withdrew from the Islands and went to Hongkong. There was much dispute as to what the agreement was, and it was strenuously insisted by each side that the other failed to comply with its stipulations. It is not material now to consider this mooted question. Suffice it to say that in 1898, when Admiral Dewey attacked the Spanish fleet in Manila Bay, the embers of dissatisfaction on the part of the former Filipino insurgents with the Spanish

Government were still aglow, and it was not difficult for Aguinaldo to raise a force of insurrectos to aid the Americans in surrounding Manila and in driving Spain from the Islands.

Between 1896 and 1898 the conditions which had been brought on by the first insurrection continued, and trade was much interrupted, agriculture did not flourish, and conditions as to the maintenance of order were by no means favorable. As an index to this, it may be said that the managers of the friars' estates collected no rents from the tenants after 1896. The battle of Manila Bay and the defeat of the Spanish fleet destroyed the prestige of Spain throughout the Islands and created insurrection in nearly every province. The refusal of General Merritt to permit Aguinaldo's troops to enter Manila created a resentment on the part of the Filipino soldiers, and the relations between the Americans and the Filipinos soon became strained. The situation was not relieved at all by the signing of the treaty at Paris, transferring the sovereignty of the islands to the Americans. Meantime, as the Americans were confined to the occupation of Manila, Aguinaldo and his military assistants attempted the organization of a government throughout the islands. A so-called constitutional convention was held at Malolos and a constitution was adopted. At the same time the Visayan republic was organized, to embrace the Visayan Islands, under certain Visayan leaders. It professed allegiance to Aguinaldo's government. Neither Aguinaldo's government nor the Visayan government was able to maintain order, and the whole country was subject to the looting of predatory bands, and chaos reigned. Where the Aguinaldo government had authority, it was exercised with military severity and with much local oppression and corruption. On the 4th of February, 1899, there was an attack by the Filipino forces surrounding Manila upon the American troops, which was successfully resisted. Later on, upon the 23d of February, there was an outbreak in Manila itself, and an attempt to burn the city, which was suppressed by the American troops with a heavy hand.

On the 11th of April the treaty ceding the Philippine Islands to the United States was ratified and ratifications exchanged. From that time until the spring of 1900 a campaign was carried on by the American forces against the regularly organized troops under Aguinaldo. Aguinaldo's forces were defeated and scattered, and then in 1900 there succeeded a guerrilla warfare in nearly every province in the Islands, which was continued with more or less vigor until July, 1902. The guerrilla warfare was carried on only because of the encouragement received by the insurrectos from speeches of the so-called "anti-imperialists" and the assurances publicly given by political leaders in the United States of immediate severance of the

relations between the Islands and the United States in case the Administration were defeated in the election. At times the warfare would seem to cease and the insurrection seem to be at an end, and then it would revive again, apparently with a view to influencing elections in America.

It can readily be inferred from this statement that from the breaking out of the insurrection in 1896, with the new insurrection in 1898, and the war with the Americans beginning early in 1899 until the close of the guerrilla warfare in June, 1902, the conditions of the country were not peaceable and agriculture could not flourish. Not only did the existence of actual war prevent farming, but the spirit of laziness and restlessness brought on by a guerrilla life affected the willingness of the native to work in the fields. More than this, the natural hatred for the Americans which a war vigorously conducted by American soldiers was likely to create did not make the coming of real peace easy.

But in addition to these disturbed conditions, due directly to war, there are certain features of Philippine civilization always present, war or no war, that do not tend to permanent tranquillity and can not be ignored.

In the first place the Philippines have been infested with ladrones, or robber bands, since their earliest history. The Spanish Government maintained a large force, called "la guardia civil," to suppress the evil. In some provinces, blackmail was regularly paid by large landowners to insure themselves against the loss incident to attack and destruction of their property. In the province of Cavite, for instance, ladronism was constant, and it was understood that the managers of the friars' estates, which amounted in all in that province to 125,000 acres, usually paid blackmail to ladrones in the form of money or provisions. The province of Cavite was known as "the mother of ladrones," and there was certainly a sympathy between the lower classes and the ladrones who mulcted the landlords.

But besides the ladrone habit, which makes for continued disorder, there is another quality of the ignorant masses of the Philippine people that is a constant danger to tranquillity. More than 80 per cent of the Philippine people are illiterate. Their ignorance is dense. They speak some 15 or 16 different Malay dialects. Knowledge of one dialect does not give an understanding of another. Each dialect has a limited vocabulary, which offers no medium of communication with modern thought or civilization. Their ignorance makes them suspicious of all educated persons but those of their own race who know their dialect and are well to do.

The result is that in rural communities in the Philippines whole townships of people are completely subject to the will of any educated,

active-minded person living in that community, who knows the local dialect and is willing or able to arouse either the fears or cupidity of his neighbors into the organization of a band either to resist fancied dangers or oppression, to satisfy vengeance, or to achieve a living and comfort without labor. This is the central and most important fact in the make-up of the local Philippine communities. It has led to the abuse of caciquism, i. e., local bossism, to which I shall refer in the question of the organization of municipalities and provincial governments. The history of the insurrection and of the condition of lawlessness which succeeded the insurrection is full of instances in which simple-minded country folk at the bidding of the local leader, or cacique, have committed the most horrible crimes of torture and murder, and when arrested and charged with it have merely pleaded that they were ordered to commit the crime by the great man of the community. This irresponsible power possessed by local leaders over their ignorant neighbors, in case of an independent Filipino government lacking the moral strength which the United States Government derives from its power and resources and its determination to punish disturbance and maintain order, would, under present conditions, lead, after a short period, to a chaos of ever-recurring revolt and insurrection to satisfy the vengeance of disappointed bosses and local leaders.

Whenever Filipino municipal officials come into contact either with non-Christian tribes or with inferior peoples of their own race like those who live in the mountains of Samar and Leyte, known as "pulahanes," they are likely to exercise official authority for their own profit and to the detriment of the inferior people. Thus in Samar and Leyte the mountain people raise a good deal of hemp. The municipal authorities of the lowlands and the local caciques conspire to prevent the disposition of this hemp to anyone but their own agents at an unjustly low price, using duress and a show of official authority for the purpose. This fraud and mistreatment ultimately creates among the mountain peoples a just sense of indignation. Then it is that some religious fakir invites them to organize against their enemies, under the charm of some religious token, and some lowland village is sacked and its people are murdered. The central and provincial authorities intervene and a war ensues, which lays waste much of the interior of the islands, to suppress a disorder that had its inception in a just cause of complaint.

Of course the frequency of such disturbances is reduced as education spreads, as the poor and oppressed begin to understand their rights and the lawful method of asserting them, and as the real cause of such outbreaks are more clearly understood and suppressed. But no account of the difficulty of maintaining peace and order in the

Philippines would be accurate or just which did not make clear this possible recurring cause of trouble and disturbance under present conditions, due to the ease with which simple-minded, ignorant people of a community can be aroused, by one or more of the better educated of their own race viciously inclined, to deeds of murder and cruel violence. Such disturbances are generally heralded as the evidence of seething sedition and discontent with the American Government, whereas they are generally but the effect and symptom of mere local abuses entirely Filipino in origin.

Having thus described the conditions of disorder, actual and potential, in the Philippines, due not only to the four or five years of intermittent and recurring war, the rancor and race hatred it tended to create, the unfounded hopes held out by American anti-imperialists, and all the other sequelæ of war, but also to certain normal features and qualities of the present Philippine civilization, I come to review the measures taken and policy adopted by the American Government to bring the Islands to their present state of complete tranquillity.

THE WORK OF THE UNITED STATES ARMY.

The agency of the Army in bringing about order in the Islands must never be minimized. The hardships of the campaign which it had to carry on were very great. The responsibility which was thrown upon captains, lieutenants, and sergeants in command of small detachments into which it was necessary to divide the Army to meet the exigencies of guerrilla warfare was met with courage and intelligence and great fertility of resource under most trying and unusual conditions. It is not too much to say that no other army of the same size could have accomplished the results which were accomplished by the American Army. At times there were some members of this Army who were tempted, in the eagerness of pursuit, into indefensible and cruel practices for the obtaining of information—practices which had been common among the Spaniards and the Filipinos themselves. Revelations of these cruelties led to severe indiscriminate criticism and attacks on the Army as a whole which were calculated to discourage and dishearten, but in spite of all difficulties the work went on. At one time in the campaign against guerrilla warfare there were more than 500 different posts and more than 65,000 men in arms. Certain it is that order would have never been restored without the efficient and courageous service rendered by the Army, and in spite of all the stories that were told of the cruelties inflicted by the Americans upon Filipinos, only a small part of which were true, any candid observer of the conditions at the time must admit that the American soldiers as a body exhibited toward the Filipinos a self-restraint and a sympathy with the benevolent

purposes of the administration which the circumstances and the character of the Filipino warfare carried on were not calculated to invite.

Not only did the Army do most efficient work in the suppression of the insurrection when war was rife, but the presence of 12,000 American soldiers in the Islands since has been a moral force of great weight to secure peaceful conditions. Occasionally they have been called on for active work in subduing disorders in particular provinces which had gone beyond the control of the local and insular peace officers and they have rendered prompt and effective service in such cases. They are now being concentrated in larger and larger posts for economical, educational, and disciplinary purposes, but their presence anywhere in the Islands is beneficial to the cause of order. They are now popular with the Filipinos, and we find the same objection to abandonment of posts by neighboring Filipino communities that we meet in the United States.

PROMISE OF EXTENSION OF SELF-GOVERNMENT.

President McKinley announced as his policy that the Philippine Islands would be taken over by the American Government to be governed for the benefit of the Filipinos, and that as they developed fitness for partial self-government it should be gradually extended to them. In order to enforce and give evidence of this purpose, he appointed a Commission in 1899, known from its chairman, Hon. J. G. Schurman, as the "Schurman Commission," to visit the Philippine Islands and extend local self-government as rapidly as possible. The Commission was able only to investigate conditions and to report that in its judgment the Filipinos were not fit for self-government. It was able to be present at the organization of municipal government in a few towns which had been captured by the Americans, but it practically was able to do no constructive work, in view of the conditions of war that existed while it was there. It returned to the United States and made its report.

In February of 1900 a new Commission was appointed by President McKinley, who gave it much more ample powers than its predecessor, for the purpose of organizing civil government in the wake of war as rapidly as conditions would permit. The powers conferred were set forth in a letter of instructions delivered by President McKinley to Mr. Root, Secretary of War, for his guidance and that of the Commission in respect of the policy to be pursued in the Philippines. The Commission arrived in June, 1900. The Commission was not authorized to assume any authority until the 1st of September and spent its time from June until September, 1900, in making investigations. It then took over the power and duty of enacting legislation to make a government for that part of the Islands

in which war had ceased to exist and to make appropriations from funds raised by taxation for civil purposes. The preparation and enactment of a municipal and a provincial code for the organization and maintenance of municipalities and provinces in the Islands occupied much of the attention of the Commission during the remainder of the year 1900.

For the three or four months prior to the Presidential election in November, 1900, it was impossible to proceed with the actual organization of civil government. The insurgents were assured that the Administration of Mr. McKinley would be defeated and that his defeat would be immediately followed by a separation of the Islands from the United States. Everything hung on the election. The re-election of Mr. McKinley was a great blow to the insurgents.

ORGANIZATION OF THE FEDERAL PARTY.

It is a mistake to suppose that the war by the Filipinos against the Americans had the sympathy of all the Filipinos. On the contrary, there were many intelligent and conservative men who favored American control and who did not believe in the capacity of their people immediately to organize a government which would be stable and satisfactory, but in the face of a possible independence of the Islands, they were still. Upon Mr. McKinley's second election many of these persons reached the conclusion that it was time for them to act. Accordingly, they formed the Federal Party, the chief platform of which was peace under American sovereignty and the acceptance of the American promises to govern the Islands for the benefit of the Filipinos and gradually to extend popular self-government to the people. The Federal Party received accessions by thousands in all parts of the Islands and in every province, so that the Commission was enabled during the year 1901, and under the auspices, and with the aid of, the Federal Party, to organize civil government in some 32 or 33 provinces, or in substantially all of them. The proof of the purposes of the American Government, given in the popular features of the provincial and municipal codes, which bore out in every respect the general promises of President McKinley, had much to do with the ending of the war. From November 1, 1900, until July 1, 1901, when military government was declared to be ended and a civil governor appointed, the men and guns surrendered exceeded that of any similar period in the history of the war.

THE CENTRAL GOVERNMENT.

The somewhat anomalous creation of the Philippine Commission, as a civil legislature in a purely military government established by the President by virtue of his powers as Commander in Chief, presented

some difficult questions of jurisdiction between the military governor and the Commission and led to considerable friction. The Commission, however, held the purse strings, and as is usual in such cases the control of appropriations ultimately left the powers of the Commission substantial and undisputed. Another difficulty arose in respect to jurisdiction of the courts established and appointed by the Commissioners to issue writs of habeas corpus to inquire into the legality of the detention of civilians by the general commanding. This, too, subsequently was worked out in favor of the civil courts. The differences between the military and civil authorities did not escape the attention of the Philippine public, and of course the sympathy of the Filipinos went with the civil side of the controversy, and the appointment of a civil governor July 1, 1901, and the clothing him with extensive authority had the popular approval. This was increased by the appointment to the Commission of three Filipino members. They were the most prominent members of the Federal Party. The Commission now consisted of the civil governor, four other Americans, and three Filipinos. The four American members, in addition to their legislative work, were made respectively the heads of four departments—one of finance and justice, the second of the interior, the third of commerce and police, and the fourth of public instruction. To these departments were assigned the appropriate bureaus by which the business of the central government was directly carried on. The presence of the Filipinos in the controlling body of the government offered an excellent opportunity for Filipino influence to affect legislation and brought to the new quasi civil government a sympathetic support from the Filipino public that included most of those but recently in arms against American sovereignty.

In some provinces civil government proved to have been prematurely established, notably in Batangas, Cavite, Cebu, and Samar, and in the fall of 1901 the services of the Army were again required in those provinces. But ultimately they became peaceful. The guerilla forces which continued in arms were finally subjugated or brought in through the vigor of the Army and the influence of the Federal party, before July 1, 1902, when peace was officially declared to exist by your proclamation of amnesty.

EFFECT ON PERMANENT ORDER OF MUNICIPAL AND PROVINCIAL GOVERNMENTS AND NATIONAL ASSEMBLY.

Under the head of political education I shall describe the initiation and maintenance of municipal and provincial governments in some detail, and shall consider them and the assembly as instruments in

the political education of the Filipinos and comment on their efficiency and defects as government agencies. I now wish to refer to them as part of the so-called policy of "attraction." The Filipino people did not expect the liberal and popular provisions of the municipal and provincial codes, and their enactment created the revulsion of feeling that enabled the Federal party to bring on peace. The part the people were given in governing both towns and provinces stimulated them to efforts in behalf of order that became greatly more sympathetic and effective, when, as I hereafter point out, the officers of the insular constabulary learned their real function of assistance and not independent command. The giving control of the provincial board to two elected officials added to their sense of responsibility as to order in the province and was convincing of the sincerity of American promise to extend popular control by gradual steps.

The provisions of the organic act passed by Congress in July, 1902, confirming President McKinley's policy and the promise of an assembly if good order was maintained, had a great effect to make the Filipino people anxious to preserve order, and no act of the American Executive was more convincing to the people of the good faith of the Administration than your proclamation of the elections at a time when an excuse for delay within the law might easily have been found in some of the disturbances then existing. The existence and influence of the assembly are important continuing factors in the maintenance of law and order.

ESTABLISHMENT OF COURTS.

Even under the purely military administration before the appointment of the Commission a military governor had established civil courts for the purpose of disposing of civil cases and for such violations of law as were not more conveniently disposed of by military tribunals. The Commission early passed a law dividing the Islands into some 15 districts, establishing a court of first instance in each district, together with a supreme court of seven to consider appeals from the courts of first instance. This system was recognized and adopted by Congress in the organic act of July 1, 1902. The policy was pursued of appointing a Filipino, the first lawyer of the Islands, the chief justice of the supreme court, together with two Filipino colleagues and four Americans. About the same proportion between Americans and Filipinos was observed in the appointment of judges of the court of first instance.

There was great difficulty in finding proper material for the American judges because there were so few American lawyers in the United

States who spoke Spanish, and it greatly interfered with the convenience of hearings if the judge did not know Spanish. However, time cured this difficulty, because the American appointees rapidly acquired a knowledge of the Spanish language sufficient to take testimony and hear arguments without interpreters. The first years of the courts, especially in the country, were almost entirely occupied in hearing criminal cases. The civil government very soon adopted the position that after a state of peace had been declared in 1902, men in arms engaged in looting and robbery should be treated not as *insurrectos* or as enemies under the laws of war, but merely as violators of the local law. In the early days of the insurrection if a body of *insurrectos* was organized in any province and was captured, their guns were taken and after a short imprisonment the men were released. This practice had led to a feeling on the part of the ignorant people that they might with impunity resort to arms, and if caught thereafter that they would be imprisoned for a short time only and then released. The imposition of long sentences, fifteen or twenty years, and the confinement of men in Bilibid prison and the requirement that they should work at hard labor was a most effective method of teaching the ignorant and easily led members of a community the difference between a political revolution and the crime of robbery and living on one's neighbors by force.

A great number of persons in various provinces were prosecuted for bandittiism. A statute was passed to cover these cases providing that a man might be convicted of a felony by conclusive proof that he was a member of a band organized to commit robberies, even though no evidence was adduced to show any particular robbery in which he was personally concerned. This has been hailed as a departure from the usages of the common law and the spirit of our institutions. It is nothing of the kind. It is merely the denunciation of a particular kind of conspiracy. It was entirely impracticable to identify the perpetrators of particular robberies, but it was entirely practicable to prove conclusively the existence of a band to commit the robberies, and the membership of the particular defendant in that band, although his presence at the commission of an overt act it was often impossible to show. There is not the slightest reason in law or morals why a man thus proved to be a robber should not be punished and punished just as severely as the men who were actually taken in the commission of the act. The effect of this law was to bring to justice a great number of criminals in various provinces, and its vigorous administration by both the Filipino and American judges under active prosecution by Filipino prosecutors did much toward the suppression of *ladronism*. The difficulty was that the number of convicted persons became so large as to strain the capacity of the jails and penitentiaries in the Islands. This congested condition has been met, however, now, first,

by the establishment of a penal colony in the island of Palawan, and, second, by the use of prisoners in several provinces for the construction of roads.

After many of those sentenced for highway robbery had served two years the governor-general appointed a commission to go over the cases to recommend for pardon those persons who, while guilty of the crime charged were not of the criminal class, but had been led into it by duress and undue influence of neighboring brigand chiefs and caciques. Quite a large number of these persons were paroled and sent back to their homes to give them an opportunity to become good citizens. The changing condition of the country and the maintenance of law and order are evidenced by the fact that the proportion of civil cases to criminal cases in the courts of first instance and the supreme court is rapidly increasing. It is becoming much easier to dispose of the criminal cases, while it is the civil cases that now clog the dockets. The standard in the administration of justice in the Islands is high. It has been sometimes charged by irresponsible persons that some of the judges were subject to executive influence. An investigation into the matter discloses not the slightest evidence of the existence of any such evil, and the whole charge rests on the easily spread rumor of disappointed litigants or political enemies of the government. On the whole, I am quite sure that throughout the Islands the judges of the courts, and especially the members of the supreme court, have the entire confidence of the public in the justice and sincerity of their conclusions. No distinction has been made in the hearing of causes by a Filipino or American judge, and the system moves on quietly and effectively to accomplish the purpose for which it was adopted. The influence of the courts in the restoration of order has been very important.

THE PHILIPPINE CONSTABULARY.

Another step most necessary and useful in the restoration of order was the organization of a body of upward of 5,000 men, Filipinos officered by Americans, into a constabulary divided into companies and organized by Regular Army officers. But little difficulty was found in the organization of this body as an efficient fighting and scouting force, but it took several years of training, of elimination, and of severe discipline before the subordinate officers, those assigned to each province, were made to understand the proper policy to be pursued by them in respect to the native governors and presidents of the municipalities who had been elected by the people under the municipal and provincial codes. At first there was constant friction and suspicion between them, and this did not aid at all the work of suppressing ladrones and other disreputable and vicious elements of the community. Year by year, however, improvement has

been made in this regard, and the lesson has been taught that the constabulary are not a military force, but a force of police organized by the central government and paid out of its treasury to assist in a sympathetic way the native local officers in the work of suppression of disorder and lawlessness of their particular localities. When I was in the Islands two years ago the native papers were full of condemnation of the constabulary and its severity. During the last two years a most remarkable change has taken place in the relations between the officers and men of this force and the provincial governors and officers of the towns, and now there is nothing more popular in the Islands than the constabulary.

FRIARS' LANDS.

A most potential source of disorder in the Islands was the ownership of what were called the "friars' lands" by three of the religious orders of the Islands—the Dominicans, the Augustinians, and the so-called bare-footed Augustinians, known as "Recoletos." These lands amounted in all to 425,000 acres, of which 275,000 were in the immediate neighborhood of Manila, 25,000 in Cebu, and 125,000 in the remote provinces of Isabela and Mindoro. The tenants on those which were close to Manila numbered some sixty or seventy thousand persons. The attitude of the people toward the friars' lands was shown by the fact that the so-called constitutional convention assembled by Aguinaldo at Malolos nationalized the friars' lands—that is, appropriated them to the so-called "Republic of the Philippines." With the restoration of order and the establishment of courts the representatives of these religious bodies were entitled to go into court and recover from tenants the rents which had been in arrears since 1896, and to eject them from the lands which they had occupied unless they admitted title and continued to pay rent. The occupants of the friars' lands resolutely refused to do either, and the Philippine government was confronted with the immediate prospect of suits to evict 60,000 tenants in those provinces prone to disturbances and insurrection.

The situation was further strained by the fact that the church, for lack of other competent priests, showed every inclination to send back to the parishes from which they had been driven as many of the friars who had been parish priests as it could. Every parish to which a friar priest returned at once began to seethe with popular indignation, and threats of violence were constantly made toward him. The only solution possible, consistent with the preservation of vested property rights on the one hand, and the right secured by treaty to the friars of freedom of religion and freedom of speech in any part of the islands, was some arrangement by which the

land could be taken over by the Government and the church induced not to send friars as parish priests to those parishes where riot and disturbance were likely to follow. A visit to Rome for consultation with the head of the Roman Catholic Church resulted in the Pope's sending an apostolic delegate to the Islands with adequate powers and in subsequent negotiations which ultimately led to the purchase of the lands for seven millions of dollars and induced a practice on the part of the hierarchy of the church by which they send no friars as parish priests into any parish in which the governor-general makes final objection.

The price paid for the lands was a good round sum. It had to be in order to secure them. Congress, convinced of the necessity for their acquisition, had provided, in the organic act for the establishment of a government in the Philippines, either for their purchase or in the alternative for their condemnation by the Government and their subsequent disposition on long, easy terms to the occupants. The representatives of the Dominican order objected to the condemnation of their lands and employed able counsel to test the validity of the provision for condemnation for such a purpose. The point made was a serious one and increased the importance of securing the lands by purchase, if possible. With the government as a landlord the tenants manifest no disposition to contest its title, save in a few isolated cases. I shall not stop now to discuss the present value of the lands or their management. I shall refer to that later. It is enough for my present purpose to point out that the acquisition of these lands by the government and the adjustment of differences as to the use of friars as parish priests have removed a fruitful source of disturbance in the provinces of Cavite, Laguna, Manila, Bataan, Morong, and Cebu.

By another compromise, to which I shall refer in detail later, a controversy between the government and the Roman Catholic Church as to charitable and educational trusts and in respect to the Spanish-Filipino Bank has been settled. At one time this controversy promised to contribute to the disorder of the Islands.

There are no other questions between the government and the Roman Catholic Church, unless it can be said that questions of possession and title to church property arising from the Aglipayan schism can be said to involve them.

Immediately after our negotiations with Leo XIII at Rome were found not to include an absolute agreement to withdraw the friars from the Islands, Aglipay, a former Catholic priest under excommunication, organized a schism from the Roman church. He called his church the Independent Filipino Catholic Church. At first the schism spread far and wide through the Islands, and as the number of priests of the Roman Catholic Church by reason of the expulsion

of the friars had been reduced so that many churches lay open and idle, the priests of the Aglipayan schism, with the acquiescence of the townspeople in the various villages where the Aglipayans were in the majority, assumed possession of land and church buildings which had been occupied in Spanish days by the Roman Catholic Church. Possession was taken under a claim that the churches belonged to the people of the municipality and that they were able to dispose of the use of the churches to such religious purposes as they saw fit. This course of procedure led to innumerable controversies and to frequent breaches of the peace and to a bitterness of feeling that did not make either for the tranquillity of the Islands or their prosperity.

The Executive consistently and properly declined to decide the question of title or the right to possession which arose in each case after peaceable possession had been taken. This was regarded as unreasonable by the authorities of the Roman Catholic Church, but was the only possible course which the civil executive could take without arrogating to itself judicial powers. Instead of attempting to decide these questions the Commission passed a law providing for their early settlement by suits brought originally in the supreme court. One set of these cases has been decided in favor of the Roman Catholic Church and others are now nearly ready for decision, so that we may reasonably expect that within six months the whole matter may be disposed of, and when this is done the religious obstacles that seemed so formidable when the Philippine government was assumed by the United States will have been disposed of permanently and that fruitful source of disturbance and riot and discontent will have ceased.

I have given in detail the steps taken to restore and maintain order in the Islands. I have mentioned the vigorous campaign of the Army and the moral restraint of its presence in the Islands, the promises of President McKinley as to gradual extension of self-government, the organization of the Federal party, the institution of municipal and provincial governments on a popular plan, the confirmation of President McKinley's policy by the act of Congress establishing a Philippine government, assuring a national assembly, and your fulfillment of the assurance, the establishment of courts with partly American and partly Filipino judges, the punishment of predatory bands as civil felons, the establishment and growth of the insular constabulary as a sympathetic aid to Filipino municipal and provincial officials in suppressing lawlessness, and, finally, the removal by satisfactory compromises of the irritating church questions which had much to do with causing the original insurrection and, if unsettled, were pregnant with disorder.

PRESENT CONDITION.

Peace prevails throughout the Islands to-day in a greater degree than ever in the history of the Islands, either under Spanish or American rule, and agriculture is nowhere now impeded by the fear on the part of the farmer of the incursion of predatory bands. Under the policy already stated, inaugurated by the instructions of President McKinley to Secretary Root, in reference to the establishment of a temporary government in the Philippines, a community consisting of 7,000,000 people, inhabiting 300 different islands, many of whom were in open rebellion against the Government of the United States for four years, with all the disturbances following from robber and predatory bands which broke out from time to time, due to local causes, has been brought to a state of profound peace and tranquillity in which the people as a whole are loyally supporting the government in the maintenance of order. This is the first and possibly the most important accomplishment of the United States in the Philippines.

**THE POLITICAL CAPACITY AND INTELLECTUAL DEVELOPMENT
OF THE FILIPINOS UNDER SPAIN AND THE STEPS TAKEN BY
THE PHILIPPINE GOVERNMENT FOR THEIR GENERAL AND
POLITICAL EDUCATION.**

Very little practical political education was given by the Spaniards to the Filipinos. Substantially all the important executive offices in the Islands were assigned to Spaniards, and the whole government was bureaucratic. The provincial and municipal authorities were appointed and popular elections were unknown. The administration of the municipalities was largely under the supervision and direction of the Spanish priest of the parish. No responsibility for government, however local or unimportant, was thrust upon Filipinos in such a way as to give them political experience, nor were the examples of fidelity to public interest sufficiently numerous in the officeholders to create a proper standard of public duty. The greatest difficulty that we have had to contend with in vesting Filipinos with official power in municipalities is to instill in them the idea that an office is not solely for private emolument.

There was an educated class among the Filipinos under the Spanish régime. The University of St. Thomas, founded by the Dominican Order early in the seventeenth century, has furnished an academic education to many graduates. The same order, as well as the Jesuits and the Augustinians, maintained secondary and primary schools for the well-to-do. Quite a number of Filipinos were educated in Spain or France. As compared with the youth and young men of school

and college age in the Islands, the number, however, was very small. These men were educated either as lawyers, physicians, pharmacists, or priests. In politics their knowledge was wholly theoretical. They imbibed liberal ideas from the spread of republican doctrines in Spain, and the repressive policy of the Spanish Government, of course, operated only to encourage them. They were patriotic, and soon conceived of the Philippines as a nation. Rizal, a leader of Philippine thought, a poet, and a political writer, did not favor independence, for he believed his people not yet fitted, but he sought reform in the Spanish government of the Philippines and some popular voice in it.

As the protest against Spanish domination grew, the aspiration for complete independence took possession of many, and in the insurrections which followed there were many patriots moved by as high ideals as those which have led to revolutions in any country. Their conceptions of liberty, of independence, of government were wholly ideal, however. When in the course of events they came to actual government they were unable to realize their conceptions, and only a one-man power or an oligarchy with class privilege, and no real civil rights for the so-called serving or obedient class, followed. They needed as much education in practical civil liberty as their more ignorant fellow-countrymen in reading, writing, and arithmetic.

The efforts of the American Government to teach the ignorant their civil rights and to uplift them to self-governing capacity finds only a languid sympathy from many of the "ilustrados." From them comes the only objection to teaching English to the common people, lest they lose their national character; as if it were necessary to keep the people confined to 16 barbarous dialects in order that they should be distinctly Filipino. The real motive for the objection, whether conscious or not, is in the desire of the upper class to maintain the relation of the ruling class to the serving and obedient class.

The educated Filipino has an attractive personality. His mind is quick, his sense of humor fine, his artistic sense acute and active; he has a poetic imagination; he is courteous in the highest degree; he is brave; he is generous; his mind has been given by his education a touch of the scholastic logicism; he is a musician; he is oratorical by nature.

The educated Filipino is an aristocrat by Spanish association. He prefers that his children should not be educated at the public schools, and this accounts for the large private schools which the religious orders and at least one Filipino association are able to maintain. In arguing that the Philippines are entirely fit for self-government now, a committee of educated Filipinos once filed with the civil gov-

ernor a written brief in which it was set forth that the number of "ilustrados" in the Islands was double that of the offices—central, provincial, and municipal—and therefore the country afforded two "shifts" of persons competent to run the government. This, it was said, made clear the possibility of a good government if independence was granted. The ignorance of the remainder of the people, admitted to be dense, made no difference. I cite this to show of how little importance an intelligent public opinion or an educated constituency is regarded in the community and government which many of the educated Filipinos look forward to as a result of independence. I do not say that there are not notable exceptions to this among leading Filipinos, but such persons are usually found among those who are not so impatient to lose American guidance in the government. Indeed, I am gratified to hear that the first bill which passed the Assembly was an appropriation of a million pesos for barrio schools. On the whole, however, there is reason for believing that were the government of the Islands now turned over to the class which likes to call itself the natural ruling class, the movement initiated by the present government to educate the ignorant classes would ultimately lose its force. The candor with which some of the representatives of the independista movement have spoken of the advantage for governmental purposes of having 80 per cent of the people in a serving or obedient class indicates this.

No one denies that 80 per cent of the Filipino people are densely ignorant. They are in a state of Christian tutelage. They are child-like and simple, with no language but a local Malay dialect spoken in a few provinces; they are separate from the world's progress. The whole tendency under the Spaniards was to keep them ignorant and innocent. The Spanish public school system was chiefly on paper. They were for a long time subject completely to the control of the Spanish friar, who was parish priest and who generally did not encourage the learning of Spanish or great acquaintance with the world at large. The world owes to the Spanish friar the Christianization of the Filipino race. It is the only Malay or oriental race that is Christian. The friars beat back the wave of Mohammedanism and spread their religion through all the Islands. They taught the people the arts of agriculture, but they believed it best to keep them in a state of innocent ignorance. They did not encourage the coming into the Filipino local communities of Spaniards. They feared the influence of world knowledge. They controlled the people and preached to them in their own dialects. They lived and died among them.

The friars left the people a Christian people—that is, a people with Western ideals. They looked toward Rome, and Europe, and America.

They were not like the Mohammedan or the Buddhist, who despise Western civilization as inferior. They were in a state of tutelage, ripe to receive modern Western conceptions as they should be educated to understand them. This is the reason why I believe that the whole Christian Filipino people are capable by training and experience of becoming a self-governing people. But for the present they are ignorant and in the condition of children. So, when the revulsion from the Spanish domination came, as it did, the native priest or the neighboring "ilustrado" or "cacique" led them into the insurrection. They are a brave people and make good soldiers if properly led. They learn easily, and the most striking fact in our whole experience in the Philippines is the eagerness with which the common Filipino agricultural laborer sends his children to school to learn English.

There is no real difference between the educated and ignorant Filipinos that can not be overcome by the education of one generation. They are a capable people in the sense that they can be given a normal intellectual development by the same kind of education that is given in our own common school system. Now they have not intelligence enough to exercise the political franchise with safety to themselves or their country; but I do not see why a common school education in English, with industrial teaching added, may not make the children of these people capable of forming an intelligent public opinion needed to sustain a popular government if, at the same time that the oncoming generations are being educated in schools, primary and industrial, those who are intelligent are being given a political education by actually exercising the power of the franchise and actually taking part in the government.

As will be seen hereafter, the Philippine government has not funds enough to educate in primary and industrial schools all the present generation of school age, and unless some other source of funds than governmental revenues is found it will take longer than a generation to complete the primary and industrial education of the common people. Until that is done, we ought not to lift our guiding hand from the helm of the ship of state of the Philippine Islands. With these general remarks as to the present unfitness of the Filipino people for popular self-government and their capacity for future development so that they may, by proper education, general and political, become a self-governing people, I come to the methods pursued by the Philippine government in furnishing to the Filipinos the necessary education. I shall consider the subject under two heads:

1. Education in schools for the youth of school age.
2. Practical political education by the extension, step by step, of political control to an eligible class.

FIRST: EDUCATION IN SCHOOLS.

Reference has already been made to the fact of the very great ignorance and illiteracy that prevails among the Filipino people. It is not too much to say that knowledge of Spanish is a fairly good indication whether an individual can be said to be educated. Statistics show that but 7 per cent of the people of the Islands speak Spanish; all the others speak in the varying dialects, which among the civilized people number some 16. The Philippine people should be educated sufficiently to have a common medium of communication, and every man, woman, and child should have the benefit of the primary education in that common medium. Reading, writing, and arithmetic are necessary to enable the rural laborer and the small hemp, cocoanut, or tobacco farmer to make contracts for the sale of his products and to know what price he should receive for that which he has to sell. With this knowledge, too, he will soon be able to know his own rights and to resist the absolute control which is now frequently exercised over him by the local cacique.

The necessity for a common school system was emphasized in the instructions of President McKinley to Secretary Root, and those responsible for the government of the Islands have been earnest and active in seeking to establish one. The language selected for the schools is English. It is selected because it is the language of business in the Orient, because it is the language of free institutions, and because it is the language which the Filipino children who do not know Spanish are able more easily to learn than they are to learn Spanish, and it is the language of the present sovereign of the Islands. The education in English began with the soldiers of the American Army, one of whom was detailed from each company to teach schools in the villages which had become peaceful. When the Commission assumed authority it sent to the United States for 1,000 American teachers, and after the arrival of these pioneers in the Islands, a system of primary schools was inaugurated together with normal schools.

Public educational work in the Islands is performed under the bureau of education, with the central office located in Manila, having 37 divisions, each in charge of a division superintendent, embracing in all 379 school districts each in charge of a supervising teacher. The total number of schools in operation during the past year was: Primary schools, 3,435; intermediate schools, 162; arts and trades schools, 32; agricultural schools, 5; domestic-science schools, 17, and provincial high schools, 36, making a total of 3,687 and an increase from the previous year as follows: 327 primary schools, 70 intermediate schools, 15 arts and trades schools, 3 agricultural schools, and

9 domestic-science schools. There are engaged in the teaching of these schools at present 717 permanent American teachers and 109 temporary appointees, and all of these are paid out of the central treasury. In addition to these there are what are known as Filipino insular teachers, numbering 455, who are paid out of the central treasury. In addition to these there are 5,656 municipal Filipino teachers, all of whom speak and teach English and who are paid out of the treasuries of the municipalities.

The 6,000 Filipino teachers who are now teaching English have received their English education from our normal schools or our American teachers. Their number is growing, and they represent and are the most valuable educational asset we have acquired in working out our school system. The average annual salary of the Filipino insular teacher is 533.2 pesos a year, while that of municipal teachers is 210.36 pesos. The Filipino insular teachers are drawn from graduates of normal schools and also from the students sent by the government and at the expense of the government to the United States to be educated there. Forty-six of these students have recently returned from the United States and have been appointed as insular teachers at salaries ranging from 840 to 960 pesos per annum. The average paid to the American teacher is about \$1,200 per annum. The total enrollment for the year, inclusive of the Moro Province—the schools in which are conducted under a separate system—was 479,978. This was in the month of March at the close of the school year, when the enrollment reached its highest point. The average enrollment total by months was 346,245, of whom 62 per cent were boys and 38 per cent were girls. The average daily attendance was 269,000, or a percentage of attendance of about 85 per cent. The highest percentage of attendance was 94, in the city of Manila. The lowest percentage in some of the provinces was 78. The attendance and enrollment in schools begins in August, which is the beginning of the school year, and ends in March. As August is one of the wet months, the attendance begins at the lowest figure and increases gradually into the dry season until its highest point at the close of the school year in March.

The central government this year for school purposes and construction of schools has appropriated 3,500,000 pesos. The maintenance of primary schools is imposed by law upon the municipalities, and involves a further expenditure of nearly a million and a half pesos. In order to relieve distress incident to agricultural depression, it was found necessary to suspend the land tax, a part of the proceeds of which by mandatory provision of law was appropriated to the support of municipal schools. The central government in the first year appropriated a sufficient sum from the internal revenue to meet the deficit caused by the failure to impose the land tax, but in the present year it was only able to appropriate 50 per cent of the amount which

would have been raised by the land tax, and next year no such appropriation will be made, and it will be left optional with the province whether the land tax shall be imposed or not.

The great difficulty in the matter of education in the Islands is the lack of funds to make it as extended as it should be. The suspension of the land tax is subjecting the educational system to a crisis, but the revival of agriculture in many parts of the Islands leads to the hope that the crisis may be successfully passed. It would be entirely possible to expend for the sole benefit of the Philippine people, without the least waste, upward of two or three millions of dollars annually in addition to all that the government of the Philippine Islands—central, municipal, and provincial—can afford to devote to this object. We are not able to educate as they should be educated more than a half of the youth of school age in the Islands. The government, while contributing to the maintenance of high schools in each province, is devoting its chief attention to the spread of primary education, and in connection with primary education, and, at its close in the intermediate schools, to industrial education. Primary and industrial education carried on until the child is 14 or 15 years old is thought to be the best means of developing the Filipino people into a self-sustaining and self-governing people, and the present government has done all that it has been possible to do in developing and maintaining a proper system for this purpose. The tendency toward the development of industrial education the world over has created such a demand for industrial teachers as to make it impossible for the Philippine government to secure as many as are needed for the purpose in the Islands, and in order to have these industrial teachers it must take the time to educate them as such, just as it did the Filipino primary teachers in English.

There are now in the Islands, including art and trade schools, agricultural schools, and domestic-science schools, at least one industrial school to every province, and it is the purpose to increase this number as rapidly as resources and opportunity will permit. Under the influence of the traditions of the Spanish régime, when manual labor seems to have been regarded as an evidence of servitude, it was at first impossible to secure pupils for the great manual training school in Manila. Boys preferred to be "escribientes" or clerks and gentlemen rather than to learn to win a livelihood by the skill of their hands, but this has been rapidly overcome. In the insular school of arts and trades in Manila, where the plant and equipment is quite satisfactory, instruction is now given some 350 pupils in English, arithmetic, geography, mechanical drawing, woodworking (bench work, carving, turning, and cabinet making), ironworking (bench work, filing, blacksmithing, and iron machine work), and finishing, including painting and varnishing, to which will be added next year

boat building and wheelwrighting. At the present time there are on the waiting list some 200 pupils who seek admission but for whom no places are available. A large insular agricultural school is to be established in Manila for giving instruction in practical agriculture, and the money, 100,000 pesos, necessary for the building and construction has already been appropriated.

The influence of the primary instruction in English is shown throughout the Islands by the fact that to-day more people throughout the Islands, outside of Manila and the large cities, speak English than speak Spanish. A noticeable result of the government's activity in the establishment of English schools has been the added zeal in teaching English in private educational establishments. A Filipino school managed and taught only by Filipinos, called "Liceo," has some 1,500 pupils in Manila, and English is regularly taught as part of the curriculum of that school; the Dominican order of friars, which is primarily an educational order, has schools in and about Manila with upward of 2,000 students, and English is now made a very important part of the curriculum of those schools. The Jesuits also have two very large schools in Manila, embracing some 1,000 or 1,500 pupils drawn from all parts of the Islands, in which English is made an important branch of the study. There is considerable competition in this matter and there seems now to be a united effort to spread the knowledge of English in accordance with the government's policy. At times, as already intimated, a discordant note is heard in the suggestion that the American Government is seeking to deprive the Filipino of his native language. As his native language is really 15 or 16 different dialects, this does not seem a great deprivation. It is possible that some effort will be made to include in the primary instruction the reading and writing of the local dialect in the local schools. No objection can be made to this unless it shall interfere with the instruction in English, which it is hoped it may not do.

Should Congress be anxious to facilitate and hurry on the work of redeeming the Philippine Islands and making the Filipino people a self-governing community, it could take no more effective step than a permanent appropriation of two or three millions of dollars for ten or fifteen years to the primary and industrial education of the Filipino people, making it conditional on the continued appropriation by the Philippine government of the same amount to educational purposes which it has devoted and is now devoting annually to that purpose. The influence of the educational system introduced has not only been direct in the spread of education among the younger of the present generation, but it has also been an indirect means of convincing the Filipino people at large of the beneficent purpose of the American Government in its remaining in the Philippine Islands and of the sincerity of its efforts in the interest of their people.

FILIPINO CADETS AT WEST POINT.

Section 36 of the act of Congress, approved February 2, 1901, referring to Philippine Scouts, provides that—

“When, in the opinion of the President, natives of the Philippine Islands shall, by their services and character, show fitness for command, the President is authorized to make provisional appointments to the grades of second and first lieutenants from such natives, who, when so appointed, shall have the pay and allowances to be fixed by the Secretary of War, not exceeding those of corresponding grades of the Regular Army.”

As it is thought that better results will be obtained if a few young Filipinos, especially selected, be appointed to the United States Military Academy with a view to their being commissioned officers of scouts upon graduation, I strongly recommend that Congress, by appropriate legislation, authorize the appointment of seven young Filipinos, or one for about every million of inhabitants of those Islands, as cadets at the Military Academy at West Point. This action on the part of Congress would, in my judgment, tend to further increase the zeal and efficiency of a body of troops which has always rendered faithful and satisfactory services.

SECOND: PRACTICAL POLITICAL EDUCATION.

There is no doubt that the exercise of political power is the best possible political education and ought to be granted whenever the pupil has intelligence enough to perceive his own interest even in a rude practical way, or when other competent electors are sufficiently in the majority to avoid the injury likely to be done by a government of ignorance and inexperience. The Philippine government concluded that the only persons in the Philippines who had intelligence enough to make their exercise of political power useful to them as an education and safe as a governmental experiment were those who spoke and wrote English or Spanish, or who paid \$7.50 a year taxes, or whose capacity had been recognized in Spanish times by their appointment as municipal officials. Adult males who came within these classes, it was thought, ought to begin their political education by assuming political responsibility, and so they were made electors in municipal, provincial, and assembly elections, and embraced, as near as it can be estimated, about 12 to 15 per cent of the adult male population. Of course, as the common school education spreads, the electorate will increase.

Let us now examine the political education which has been given in practice to these eligible electors and the results.

MUNICIPALITIES AND PROVINCES.

By the municipal code the old municipalities under the Spanish régime, which resembled the townships of the West and the towns of

New England, were authorized to reorganize under the American Government. They consisted generally of the población, or the most centrally located and most populous settlement, with a number of barrios or outlying wards or villages, all within the municipality and under its control. The provisions of the code did not differ materially from those of similar codes in the United States, except that wherever possible and practicable the unobjectionable customs of the country were recognized and acquiesced in formally in the law. The towns were divided into classes and the salaries of the officials were limited accordingly. The provincial code provided for the organization of governments in the provinces which had been recognized as provinces under the Spanish régime. Under the original provisions of that code the government of the province—legislative and executive—was under a provincial board, consisting of a governor and treasurer and a supervisor of roads and buildings. Other appointed officers were provided, as the prosecuting attorney and the secretary of the province, who did not sit on the provincial board. The governor was originally elected by the councilmen of all the towns of the province assembled in convention, they themselves having previously been elected by the people. The treasurer and supervisor were each selected and appointed under the rules adopted in accordance with the merit system provided in a civil-service law, which was among the first passed by the Commission.

One of the early difficulties in the maintenance of an efficient government in the provinces was the poverty of the provinces and the lack of taxable resources to support any kind of a government at all. It was soon found that the provincial supervisor, who, it was hoped, might be an American engineer, was too expensive a burden for the province to carry. For a time the district superintendent of education of the province was made the third member of the provincial board instead of the supervisor, whose office was abolished. This, however, did not work well, because the time of the superintendent was needed for his educational duties. Subsequently, therefore, it was thought wise to provide a third member of the board, who served with but little compensation and who was elected as the governor was elected. The system of electing the governor by convention of councilmen of all the towns of the province was changed, so that now the governor and the third member of the board are elected by direct popular vote, while the treasurer is still appointed. It will be seen that, in this way, the government of the towns is completely autonomous, subject only to visitation and disciplinary action of the governor of the province and of the governor-general on appeal. The provincial government now, though not originally, is completely autonomous in the sense that a majority of the board which governs

the province are elected by the people. The duties of the provincial treasurer are burdensome, complex, and important to such a degree as to make it impossible thus far to find Filipinos who have been able to master the duties of the office and to give satisfaction therein, although there are quite a number of Filipino assistant treasurers and subordinates in the office of treasurer who give reasonable ground to expect that the American treasurers may be in a reasonable time supplanted by Filipino treasurers.

The question now arises what has been shown in the government of these municipalities and of the provinces in respect to the capacity of the Filipinos for complete self-government in local matters? It is undoubtedly true that the municipalities would be much more efficient had the policy been pursued of appointing Americans to the important offices in the municipalities, but there would have been two great objections to this course, one that the municipal government would not have attracted the sympathetic attention of the people as the present municipalities have—and we would thus have lost a valuable element in making such government a success—and the other that the educational effect upon the people in training them for self-government would have been much less.

When I say that the development of municipal government in the Philippines has been satisfactory, I am far from saying that it has been without serious defects. All I mean is that considering the two-fold object in view—first governmental, second educational—the result thus far with all its shortcomings shows progress toward both ends and vindicates the course taken.

Up to the time of our occupation, the government had represented to the Filipino an entity entirely distinct from himself with which he had little sympathy and which was engaged in an attempt to obtain as much money as possible from him in the form of taxes. He had been taught to regard an office as the private property of the person holding it and in respect to which ordinary practice justified the holder in making as much profit from it as he could. The idea that a public office is a public trust had not been implanted in the Filipino mind by experience, and the conception that an officer who fails in his duty by embezzlement or otherwise was violating an obligation that he owed to each individual member of the public, he found it difficult to grasp. He was apt to regard the robbing of the government by one of its officers as an affair in which he had little or no interest and in which, not infrequently, his sympathies were against the government. As a consequence, the chief sense of restraint felt by municipal officials in handling public funds comes from a fear of inspection by the central government and its prosecution. The fear of condemnation by the public opinion of the local community has a much less deterrent force,

even if the official is to seek reelection. The sense of responsibility for the government they control and whose officers they elect is brought home to the people of a municipality with slowness and difficulty. This is the political education that is going on in the Filipino municipalities. We are making progress, but we must be patient, for it is not the task of a day to eradicate traditions and ideas that had their origin in a system of government under which this people lived for centuries.

Hence when we find that there is still a considerable percentage of Filipino municipal officers who have to be removed and prosecuted for embezzlement, we must not be discouraged. Early in the American occupation we had to prosecute sixteen or seventeen American provincial treasurers for defalcations in public funds. It was bitterly humiliating for the dominant race to furnish such an example, when we were assuming to teach the Filipinos the art of self-government. The American embezzlers were all promptly sent to Bilibid Penitentiary for long terms. This had an excellent effect upon both Americans and Filipinos in the Islands. The defalcations were due to a lack of good material available for these positions in the Islands. To-day the American provincial treasurers are of the highest order of public servants and are a credit to the American name. Their example has been of the utmost benefit in the training of Filipino municipal and provincial officials.

Another difficulty arising from a similar cause that we have had to meet and overcome has been the disposition of municipal councils to vote all of the available funds for the payment of their own salaries and leave nothing for the improvement or repair of roads, the construction of buildings; or the payment of school-teachers, and this although the law may, by mandatory provision, have set aside certain definite shares of the public funds for such purposes. These evils have had to be remedied by placing the funds in the hands of the provincial treasurer so as to secure the payment of the amount required by law to be devoted to educational purposes and by imposing upon the discretion of common councils to vote salaries from their funds a limitation that the total of salaries shall not exceed a certain percentage of the total funds in control of the town.

The people of the towns seem fully to appreciate the value of roads, but when it comes to exerting themselves and denying themselves for the purpose of securing the great benefit of good roads, they have not thus far nerved themselves to the sacrifice. Many miles of road have been constructed by the central government and then turned over to the municipalities for maintenance, with the result that in one or two years of the torrential rains the roads have become nothing but quagmires without any work of maintenance or repair done on them. One of the common means throughout the United States for

building roads or repairing them is to require all male adults to work upon the roads four or five days of the year, or perhaps a longer period, or to commute the work by payment of a tax. This would be the natural method of repairing roads in the Philippines; but the difficulty is that it was the method adopted by the Spaniards, and in the Spanish times the power of the local authorities to direct free labor upon the roads for a certain period of time was so greatly abused and perverted to the seeking of personal vengeance and the private profit of the local authorities that it has been impossible to obtain any popular support for a system based on the same principle, and good roads have been allowed to go to destruction rather than to run the risk of a recurrence of the old abuses.

A difficulty in connection with the maintenance of roads may be mentioned here. The old-time method of transportation in the Philippines was by a carabao or ox cart with a rigid axle and with solid wheels, the rims of which were so narrow as to cut like a knife into any road over which they traveled. Laws have been passed from time to time imposing a penalty for using wheels on public roads with tires less than a certain width, but it has not been possible to secure such an administration of the law by the provincial governments as to prevent the continuance of this abuse, although means have been taken to furnish at a very reasonable rate sets of wheels with tires of sufficient width to avoid road destruction. Local officials have been loath, when dependent for their continuance in office upon the votes of their fellow-citizens, to enforce a law the wisdom of which they fully recognize, but the unpopularity of which they also know.

It has been found that sanitary measures can not be safely intrusted to municipal authorities for enforcement whenever emergencies arise, but that some local agency of the central government must be created for the purpose. At first full power was given to the municipality to determine by ordinance where cemeteries might be established, having regard to the health of the town. This proved a most convenient instrument for partisan abuse in the religious controversies arising between the Roman Catholics and the Aglipayans. An Aglipayan municipal council would require by ordinance the immediate closing of a Roman Catholic cemetery, although it was not in the least dangerous to health, and then would permit an Aglipayan cemetery much nearer the town and in a really objectionable place. Partisans of the Roman Church in control of other municipalities would abuse their powers in the same way. The consequence was that the central and provincial authorities had to be given direct supervisory control of this matter.

Another defect in many Filipino towns I have already referred to is the evil of caciquism. Too often the presidente and other town officers use their offices to subject the ignorant residents of their respective

towns to their business control in the sale of farm products. The officer acts as the middleman in the sale and takes most of the profit from his constituent. The evil is hard to reach because the same power which compelled the sale can usually compel silence and no complaint is heard from the victims until, dimly realizing the injustice done them, they resort to criminal outbreaks and bloody vengeance. While it is too much to hope for the complete eradication of this abuse until the laborer shall acquire enough education to know his rights before the law and how to assert them, there has been much improvement in this regard since the American occupation.

The evil of caciquism shows itself in a more flagrant form when Filipino municipal or even provincial officials are vested with governmental control over non-Christian tribes, or others not of their own race, scattered through the Christian Filipino provinces. These people living in small settlements are slowly working toward a better civilization under the influence of education and are capable of much greater progress if properly treated. Such settlements were originally placed under the regular Filipino provincial and municipal governments within whose territorial jurisdiction they happened to be, but the abuses and oppression to which they were subjected necessitated an entirely different policy with respect to them and the organization of separate governments controlled directly from Manila under the interior department. Mr. Worcester, the secretary of the interior, has given especial attention to the care and development of these non-Christian tribes. It has been necessary to organize in Northern Luzon three or four subprovinces within the territorial limits of the Filipino provinces and to secure the protection of the non-Christians by the appointment generally of an American lieutenant-governor. This is also true in the province of Misamis and of Surigao in Mindanao, where it was found impossible to induce the provincial officers to spend the money appropriated out of the insular treasury for the benefit of the people for educational and road improvements directed by the central authority. The fact that the recent, and for a time seemingly incurable, tendency to disturbance in Samar has grown out of a similar cause in that island, I have already commented on in connection with another subject.

The city of Manila has not been given autonomous government. It is under the control of a municipal board of five persons appointed by the central government and is governed therefore as Washington or the City of Mexico is governed. In the proper improvement of Manila, some six or eight millions of dollars had to be expended and much business experience and foresight were required to build the new waterworks and the new sewer system, to repave the streets, to canalize the esteros, or creeks, to organize an effective police force and a new fire department. It was thought that it would not be safe to intrust the

conduct of such important business matters to a body selected by the electorate of Manila for the first time. The city of Manila has been well governed. Very large sums of money have been expended in most extensive improvements and not the slightest scandal or dishonesty has been charged in any of the city administration. It has offered a most useful model for other municipalities in the Islands to follow and has lent her engineers, her policemen, and her firemen to other towns to help the latter to better organization.

This review of shortcomings in municipal governments in the Philippines should not have the effect of discouraging those who are interested in the success of the experiment. They should be reminded that in the United States, municipal government has not been such a shining success. Moreover, the defects pointed out are not found in all Filipino towns. They have been referred to only to qualify properly the statement, which I do not hesitate to make, that autonomous municipal governments are making good progress and are gradually accomplishing the purposes for which they were created, though not so efficiently as with a people more used to governing themselves, more trained and educated in the assertion of their rights, and imbued with a higher standard of public duty. When those responsible for the policy of autonomy in municipal and provincial governments assert that it is progressing successfully, they find their words to be construed by enthusiastic theorists, who are convinced *a priori* of the complete fitness of the Filipinos to govern themselves, as completely establishing the correctness of their view; and when, on the other hand, they point out the defects in such local governments they meet the cry made by pessimists and by thick and thin adherents of the English crown-colony system that this is an admission of failure and a concession that we have gone far too fast in intrusting local governmental power of the Filipinos.

The truth, as I conceive it, lies between the two extreme positions, and while the policy adopted does not secure the best municipal government which might be secured under American agents, it does provide a fairly good government, with a training and experience and educational influence upon the people which is slowly but progressively curing the defects incident to a lack of political training and proper political ideals. The result indicates neither that the Filipinos are fitted at once for complete self-government nor does it justify the view that they may not be ultimately made capable of complete self-government by a gradual extension of partial self-government as they may become more and more fit to exercise it.

When we come to the provincial governments, we naturally have to deal with a higher order of public servants, and although we here and there find the defects I have described as occurring in municipal governments, they are less glaring and less discouraging. The truth

is, that with the guidance of the provincial treasurer, who is an American, and the sense of added responsibility that the presence of two Filipinos in the provincial board has instilled in them, the provincial officials begin to take pride in the good condition of their province. This has been stimulated by close and constant correspondence between them and the central government at Manila, represented by the assistant executive secretary, Mr. Frank Carpenter, in which provincial matters are discussed, by an annual conference of provincial governors at Manila, and by conditional contributions from the central government to provincial funds for various forms of provincial efficiency, and is evidenced by the greater amounts devoted by the provinces to the construction of public buildings, the repair and construction of roads and bridges and by the husbanding of resources and the keeping down of salaries.

The system of examination of the finances of the municipalities and of the provinces is now, as conducted in the Islands, very complete, and in one large printed volume is published the balance sheet of every province and of every municipality in the Islands for each fiscal year, so that it is possible to take a bird's-eye view each year of the financial progress made in the management of each province and town. The improvement in the financial condition of the provinces over and above what it was four or five years ago itself speaks forcibly in favor of the progress which has been made by Filipinos in provincial government.

One of the early difficulties in provincial government already pointed out was the lack of tax resources, which prevented payment of adequate salaries or the making of much-needed improvements. With the sympathetic aid and suggestion of the central government, and by the voluntary assumption of greater taxes by the people, all the provinces, save two or three, have made themselves self-supporting and have been enabled to pay good salaries. They differ largely in the amount of money that they have been able to devote to the construction of public buildings and to roads and bridges, but they are certainly beginning to appreciate the necessity for effort in this direction, and while they have refused thus far to adopt the system of a few days' enforced labor commutable by taxes, they are gradually coming to the adoption of a poll tax for public roads which in its essence and its alternatives will ultimately be an equivalent of such a system.

The report of the Auditor of the Islands shows a most gratifying improvement in the financial condition of the towns and provinces for the last five years. While the financial condition is not invariably indicative of the general character of a municipal or provincial government, a steady improvement in it from year to year is reasonably good evidence that matters of government are mending in every way.

The question of roads and bridges has not yet been solved in the Philippines. There remains yet an enormous amount of labor and capital to be expended for this purpose, but the seeds have been sown which I am convinced will lead, under the executive force and great interest of Mr. W. Cameron Forbes, the secretary of commerce and police, to the adoption of a caminero system of road repairs and maintenance which will make the intercommunication by wagon road between the various parts of the various islands satisfactory. I shall not stop to dwell on the great inherent difficulty that there is in the construction and repair of roads in the Philippines. The absence of suitable material and the destructive effect of every wet season sufficiently account for the present unsatisfactory condition in this respect. The principle rigidly adopted and enforced now is, however, that no bridge and no public building shall be constructed of anything but permanent materials—either concrete, hard wood, or metal—or iron or steel, and that no road shall be built except in a manner which shall enable local authorities, with reasonable expense, to keep it in permanent repair. In times past the necessity for haste and supposed economy has led to the use of softer woods and temporary methods of construction, which are now turning out to be much more costly than if the original expenditure had been greater.

CIVIL SERVICE.

The organization and maintenance of the central government were directed not only with a view to its efficiency, but also to its educational effect upon the Philippine people. This is shown in the appointment of three Filipinos to constitute three-eighths of the insular legislature, as well as by the opportunity offered to Filipinos to enter the civil service under a civil-service law embodying the merit system. In the beginning it was difficult to work Filipinos into the bureaus of the central government, because few of them knew English and fewer understood the American business and official methods, which, of course, obtained in the new government. As the years went on, however, under great pressure from the Commission, the proportion of Filipinos in the service was increased from year to year. Many natives had learned English and had shown an increasing aptitude for the work of the civil service. Still in many of the bureaus the progress of Filipinos to the most responsible places is necessarily slow and the proportion of them to be found in the positions of high salaries is not as large as it ought to be in the near future. The winnowing-out process, however, is steadily reducing the American employees in the civil service. It has become a body of highly deserving, faithful public servants, whom, it is hoped, the Philippine government will make permanent provision for by

secure tenure for a certain number of years with a reasonable retiring pension.

As was inevitable in the complete organization of a government effected within a few months, experience indicated that greater economy might be secured by a reduction in the number of bureaus and bureau chiefs, by the consolidation of offices and bureaus, and by the still further substitution of competent Filipinos for higher-priced Americans.

It is now nearly three years ago, therefore, since a committee of insular officials with Commissioner Forbes as chairman was appointed to make a vigorous investigation into the entire governmental system. The committee made radical recommendations as to curtailment, most of which were adopted and resulted in a very material decrease in the cost of government and increase in the proportion of Filipino employees.

In the department of justice, including the judiciary, the proportion of Filipinos had always been high. The chief justice of the supreme court and two of his associates were Filipinos, while nearly half of the judges of the courts of first instance were also natives. All but two of the prosecuting attorneys in the 35 provinces, all the justices of the peace, and nearly all the court officers were Filipinos. For two years the attorney-general of the Islands has been a Filipino.

The changes in the proportion of Filipino civil servants to the whole number from year to year can be seen in the following table:

	Americans.	Filipinos.
1901	2,044	2,562
1902 a		
1903	2,777	2,697
1904	3,228	3,377
1905	3,307	4,023
1906 a		
1907	2,616	3,902

* Statistics not available.

CIVIL RIGHTS.

Before discussing the provision for the national assembly and its influences, educational and otherwise, I must refer to the effort of President McKinley to extend to the Filipinos the guaranties of life, liberty, and property, secured by the Federal Constitution to those within Federal jurisdiction. The guaranties assured in the instructions of Mr. McKinley included all those of the Federal Constitution except the right to bear arms and to trial by jury.

The right to bear arms is one that can not safely yet be extended to the people of the Philippines, because there are among those people men given to violence, who with the use of arms would at

once resort to ladronism as a means of livelihood. The temptation would be too great and ought not to be encouraged. Nor are the people fit for the introduction of a jury system. Not yet has any considerable part of the community become sufficiently imbued with the sense of responsibility for the government and with its identification with the government. This responsibility and identification are necessary before jurors can sit impartially between society and the prisoner at the bar. Without it they are certain always to release the prisoner and to sympathize with him in the prosecution against him. The fair treatment of the prisoner is sufficiently secured in a country never having had a jury trial by the absolute right of appeal from the decision of a single judge to the decision of seven judges, with a writ of error thence to the Supreme Court of the United States. It may be that in the future it will seem wise gradually to provide for a jury in various classes of cases, but at present it would be premature.

The civil rights conferred by Mr. McKinley's instructions were expressly confirmed by the organic act of July 1, 1902. It has been the purpose of the Philippine government to make the extension of these rights a real thing and a benefit for the poorer Filipino, and progress is being made in this direction. The great obstacle to it arises from the ignorance of the people themselves as to what their rights are and their lack of knowledge as to how those rights may be asserted.

The work of impressing a knowledge of these things upon the people goes, however, rapidly on, and with the education in English of a new generation and their succession to the electorate, we can be certain that the spread of education as to popular rights and the means of maintaining them will be wider and wider, until we can have a whole community who know their rights, and knowing, dare maintain them.

Charges have been made that the existing Philippine government has not properly preserved these guaranties of civil rights. It is true that the Commission has, in effect, suspended these guaranties in a condition equivalent to one of war in some of the provinces, and has been sustained in so doing by the supreme court of the Islands and of the United States. It is also true that during a condition equivalent to war the Commission provided that no one should advocate independence, even by peaceable means, because agents of insurrection were inciting actual violence under the guise of such peaceable propaganda. With the coming of peace, the statute ceased to have effect. To-day, however, the writ of habeas corpus runs without obstruction. The liberty of the press and of free speech is real. There is no censorship of the press and no more limitation upon its editors than there is in the city of Washington. The publication of

criminal libel or seditious language calculated and intended to cause public riot and disturbance is punishable in Manila and the Philippines as it is in many of the States of the Union. This freedom of discussion and this opportunity to criticise the government, educate the people in a political way and enable them more intelligently to exercise their political rights.

THE NATIONAL ASSEMBLY.

In recommending to Congress the provision for a national assembly contained in the organic act of the Philippine government, Secretary Root and the Commission were moved by the hope and belief that the promise in the act, conditioned, as its fulfillment was, on the existence of peace in the Islands, would stimulate activity on the part of all Filipinos having political ambition to bring about tranquillity. In this respect, as already pointed out, the result has abundantly vindicated their judgment. They were further moved by the conviction that this step toward greater popular self-government would strengthen the hands of the Government by securing from the people readier acquiescence in, and greater obedience to, measures which their representatives had joined in passing, than when they were the decrees of an alien government. They further believed that by means of the assembly much more exact and practical knowledge of the needs of the country would be brought to the law-making power than in any other way. Finally, they thought that the inauguration of such an assembly would be a most important step in the main plan or policy of educating Filipinos in the science and practice of popular representative government. They were aware of the possible danger that this was a step too far in advance. They did not deny that on the part of a number elected there would be a strong inclination to obstruct the smooth working of existing government on lines of political and material progress. They anticipated the probability that in the first assembly elected the majority would be in favor of immediate independence; but in spite of all this they were clear in their forecast that the responsibilities of power would have both a sobering and educational effect that would lead ultimately to conservatism of action and to strengthening the existing government.

Let us now consider what has happened in the electoral campaign for the assembly and in its early life as a legislative body.

The powerful influence for good and for peace exercised by the Federal Party in the period just after Mr. McKinley's second election I have dwelt upon at another place. The main purpose and principle of the party was peace under the sovereignty of the United States. In drafting a platform its leaders had formulated a plank

favoring the organization of the Islands into a Territory of the United States, with a view to its possibly becoming a State. From this plank it took its name. In the first two or three years after its successful effort to bring on peace, many prominent Filipinos having political ambition became members, and in the gubernatorial elections the great majority of governors elected were Federals. And so substantially all who filled prominent offices in the government by appointment, including the judges, were of that party. Then dissension arose among prominent leaders and some withdrew from the party. The natural opposition to a government party led to the organization of other parties, especially among those known as Intransigentes. The Federal Party had founded an organ, the *Democracia*, early in its existence. The opponents of the government looking to immediate independence founded a paper called the *Renacimiento*. The latter was edited with especial ability and with a partisan spirit against the American Government.

For two years before the election of the Assembly the Filipinos who sympathized with the *Renacimiento* were perfecting their organization to secure a majority in the assembly. Many groups were formed, but they all were known as the *Partido Nacionalista*. There was some difference as to whether to this title should be added the word "inmediatista," but the great majority favored it. The party is generally known as the *Nacionalista Party*. During much of these same two years, the Federal Party was dormant. The proposition for statehood did not awaken enthusiasm anywhere. Many of the leaders were in office and felt no necessity for vigorous action. The quarrel between some of the directors had given the party paralysis. The party was not organized for political controversy with another party at the polls. It was merely an organization to give effective resultant force to the overwhelming feeling in favor of peace under United States sovereignty, and it was not adapted to a political fight on issues that were not in existence when it was at the height of its power for usefulness. On the other hand, in the Federal Party were many of the ablest and most conservative of the Filipinos, and it seemed wise that this nucleus should be used to form a party that represented conservatism on the issue as to independence, which the opponents of the government determined to force into the campaign for members of the assembly. It was an issue hardly germane to the subject-matter within the jurisdiction of the assembly, but it had to be met. The issue whether the Islands should have immediate independence turned on the question whether the Filipino people are now fit for complete self-government. Upon this question it was entirely natural that the burden should fall upon those who asserted the negative, and it is not strange that the electors, or a majority of them,

should believe themselves and by their votes decide themselves to be competent.

Some six months before the elections, there sprung from the ashes of the Federal Party a party which, rejecting the statehood idea, declared itself in favor of making the Philippines an independent nation by gradual and progressive acquisition of governmental control until the people should become fitted by education and practice under American sovereignty to enjoy and maintain their complete independence. It was called the Partido Nacionalista Progresista. It is generally known as the Progresista Party. The Progresista leaders were late in the field and were somewhat at a disadvantage on this account; but after they entered the fight they were energetic and vigorous. They did not mince words. They took the position fully and flatly that the people of the Philippines were not fitted for immediate independence and complete self-government and needed much education and experience before they should become so. It was natural to suppose that the cry of complete fitness for self-government was the popular one and that it would attract votes. This impression showed itself in a somewhat amusing way. The first independence party, as I have said, called itself the Partido Nacionalista Inmediatista. The title and organization were not radical enough for a group that broke away and called itself Partido Nacionalista Urgentissima, which was supposed to indicate a party whose yearning for independence was greater than that of those who wished it immediately. This was followed by the organization of a new group who showed that they were not to be outdone in the fervor and anxiety with which they sought independence and votes for their candidates by calling their party Partido Nacionalista Explosivista.

The campaign in the last two or three months was carried on with great vigor. The Nacionalistas had the advantage of being understood to be against the government. This, with a people like the Filipino people, who had been taught to regard the government as an entity separate from the people, taxing them and prosecuting them, was in itself a strong reason for popular sympathy and support. The Progresistas were denounced as a party of officeholders. The government was denounced as extravagant and burdensome to the people. In many districts the Nacionalista candidates promised that if they were returned immediate independence would follow. There were quite a number of candidates in country and remote districts where the controversy was not heated who did not declare themselves on the main question, and maintained an independence of any party. They were known as Independientes. Then, there were other Independientes who declared themselves independent of party, but in favor of immediate independence.

The elections were held on July 30. Members were elected from 80 districts into which the Christian Filipino provinces were divided. The result of the canvass was the election of 16 Progresistas, 1 Catolico, 20 Independientes, 31 Nacionalistas, 7 Inmediatistas, 4 Independistas, and 1 Nacionalista Independiente, in all 80 members.

The total vote registered and cast did not exceed 104,000, although in previous gubernatorial elections the total vote had reached nearly 150,000. The high vote at the latter elections may be partly explained by the fact that at the same elections town officers were elected, and the personal interest of many candidates drew out a larger number of electors. But the falling off was also in part due, doubtless, to the timidity of conservative voters, who, because of the heat of the campaign, preferred to avoid taking sides. This is not a permanent condition, however, and I doubt not that the meeting of the assembly and the evident importance of its functions when actually performed will develop a much greater popular interest in it, and the total vote will be largely increased at the next election.

I opened the assembly in your name. The roll of the members returned on the face of the record was called. An appropriate oath was administered to all the members and the assembly organized by selecting Señor Sergio Osmeña as its speaker or presiding officer. Señor Osmeña has been one of the most efficient fiscals, or prosecuting attorneys, in the Islands, having conducted the government prosecutions in the largest province of the Islands, the province and island of Cebu. He was subsequently elected governor, and by his own activity in going into every part of the island, he succeeded in enlisting the assistance of all the people in suppressing ladronism, which had been rife in the mountains of Cebu for thirty or forty years, so that to-day there is absolute peace and tranquillity throughout the island. He is a young man not 30, but of great ability, shrewdness, high ideals, and yet very practical in his methods of dealing with men and things. The assembly could have done nothing which indicated its good sense so strongly as the selection of Señor Osmeña as its presiding officer.

Many successful candidates for the assembly seem to have embraced the cause of the Inmediatistas without having thought out deliberately any plan by which a policy of immediate independence could be carried out. They joined the party and united in its cry because it was a popular one and because they thought that this was an easy method of being elected, or rather because they thought that without this, election would be difficult. When the assembly met it was quite apparent that the great majority were much more anxious to vindicate their election as a dignified, common-sense, patriotic branch of the legislature by a conservative course than to maintain consistency between their acts as legislators and their ante-election declarations.

There are, of course, some members who are likely at times to make speeches containing violent language, but on the whole there seemed to be during my stay in the Islands, of two or three weeks after the organization of the assembly, a very earnest wish that the assembly should show the conservatism which many of us believe exists in the Philippine people, rather than it should give a weapon to the enemies of the people and popular government by extravagance and useless violence of speech.

Since I left the Islands the Assembly has voted for two resident commissioners to represent the Islands at Washington as provided in the organic act of the Philippine government. These commissioners are elected by the Assembly and the Commission sitting in separate session. The two candidates tendered by the Assembly to the Commission and accepted by the latter were Mr. Benito Legarda, at present one of the Filipino Commissioners, and Mr. Pablo Ocampo, of Manila. Mr. Legarda is one of the founders of the Federal Party and a Progresista. He has been many times in the United States and speaks English. He is one of the most prominent and successful business men in the Islands, and a public-spirited citizen of high character. Mr. Ocampo was an active sympathizer with the insurrection and acted as its treasurer. He was deported to the island of Guam by the military authorities in the days of the military government. He is a prominent and able member of the bar of the Islands and a man of high character. He took part in the organization of the Nacionalista Party which he wished to have called Unionista. He is understood to have objected to the word "inmediatista" and to have withdrawn from the party on that account.

As a shibboleth—as a party cry—immediate independence has much force, because it excites the natural pride of the people, but few of their number have ever worked out its consequences, and when they have done so they have been willing to postpone that question until some of the immediate needs of the people have been met. I may be wrong, but my judgment is that the transfer of real power by giving to the people part of the legislative control of the Christian provinces sobers their leaders with the sense of responsibility and teaches them some of the practical difficulties of government. They wish to vindicate their view in respect to their fitness to govern themselves completely by exercising the power of the government which has been accorded to them in a way to make the people of the United States and of the world believe that when greater power is extended, they may be trusted to exercise that with equal discretion and conservative common sense. They are now a real part of the government of the Islands. Nothing can be done affirmatively without the consent of the Assembly. They have been through one election and have

made election promises. Many of those promises, such as the promises of immediate independence, were of course entirely beyond the authority of the promisers. When they go back to their constituents at the next election they will find facing them not only their ante-election promises, but also responsibility for legislation and failure to legislate which will introduce new issues of a practical character, and will necessitate explanation and a caution of statement that was entirely absent in the first campaign. All this can not but have a wholesome effect upon the politics of the Filipinos and the Philippines. I do not for a moment guarantee that there will not at times be radical action by the Assembly, which can not meet the approval of those who understand the legislative needs of the Islands, but all I wish to say is that the organization and beginning of the life of the Assembly have disappointed its would-be critics and have given great encouragement to those who were responsible for its extension of political power.

The Inmediatistas, having a majority in the Assembly, are prone to divide into groups. The Independientes are organizing as a party, drawing tighter party lines, and at times act with the Progresistas, who, with their 17 votes, are enjoying the advantage of the minority party in maintaining a solidarity and party discipline that it is impossible for the leaders of the majority and the controlling party to attain. It would not be surprising if at the next election there should be a readjustment of party lines and division on other issues than those which controlled at the first election.

While I was in the Islands, provincial elections were held, at which were elected governors and third members of the provincial boards. The elections were held on party lines. The total vote exceeded that at the Assembly by more than 50 per cent. Of the governors elected, 15 were Nacionalista and 15 were Progresista. Of the third members, 15 were Nacionalista, 13 were Progresista, and 2 were of unknown party affiliation. From this it would seem that the Nacionalista victory in the assembly election should not be taken as an assurance that a permanent majority of the electors will continue to favor immediate independence.

The Assembly has shown a most earnest desire, and its leaders have expressed with the utmost emphasis their intention, to labor for the material prosperity of the Philippines and to encourage the coming of capital and the development of the various plans for the improvement of the agriculture and business of the Islands which have commended themselves to those in the past responsible for the government there. In other words, thus far the Assembly has not manifested in any way that obstructive character which those who have prophesied its failure expected to see, and who, in this respect,

paradoxical as it may appear, are equally disappointed with those anti-imperialists who have hopefully looked to the Assembly as a means of embarrassing the present government.

The organization of the Assembly is one of the great steps in the education of the Filipino people for complete self-government. One of the assumptions which must be guarded against, but which we always encounter, is that the conservative and successful use by the people of an instrumentality like that of the national Assembly is convincing proof of the people to enjoy greater power and reason for an instantaneous granting of that power. This is at variance with the theory upon which the power is granted. That theory is that the use of such an instrument is valuable chiefly as a means of educating those who use it to the knowledge of how it ought to be used and to conservatism in its use. The fact that on receiving it the people use it conservatively is by no means sufficient proof that if it were not subject to ultimate control, guidance, and restraint by the agents of the United States, it might not be misused. It is most encouraging to find it conservatively used and vindicates those who urged its adoption, but it is far from demonstrating that this conservative use, subject to the limitations upon its power which now exist and which have a necessary tendency to make its use conservative, would be preserved under conditions in which those limitations were entirely removed. The moderate use of such an Assembly for a reasonable time may properly form a ground for the greater extension of power and the removal of some of the limitations. Progress in such a matter to be safe must be gradual.

I can not refrain from saying at this point that the attitude of the national Assembly has been much influenced by the confidence that the members and the Filipino people have in the sense of justice and impartiality of Governor-General Smith and the deep sympathy which they know he feels in their welfare and in their hopes of continued progress. He knows the Filipino people better than any other American, and he spares no effort to reconcile their real needs and their earnest desires.

I have reviewed the history of the governmental organization in order to show the consistency of the American Government in adhering to the policy laid down by President McKinley, of gradually extending self-government to the Filipinos as they shall show themselves fit. We first, therefore, have the autonomy of the municipality, restrained by the disciplinary action of the governor-general, the restraint upon the expenditure of its funds by the provincial treasurers, and the audit of its funds by the central authority; second, the partial autonomy of the provincial governments in the election of a governor, the more complete autonomy by the constitution of the provincial board of two elective members out of three, the restraint upon

the board by the presence of a member of the provincial board appointed by the governor, the visitatorial powers of the governor-general for disciplinary purposes in respect of the provincial officers, the restraining influence and assistance of the central constabulary force, the modification of complete American central control by the introduction of three appointed Filipinos into the Commission, followed after five years by the inauguration of a completely popular elective Assembly to exercise equal legislative power with the Commission. This progressive policy has justified itself in many ways, and especially in the restoration of order to which I have already referred.

SANITATION.

There is always present in every picture of Philippine progress as painted by those who have not carefully investigated the facts, a somber background of a baneful climate making it impossible for the American or European to live in health and strength in the islands for any length of time. It is true that the islands are in the Tropics, and that the variations in temperature are only about a third as much in extent as in the Temperate Zone; but, for a tropical climate, that of the Philippines is exceptionally comfortable and healthful. The monsoons blow six months from southwest across the islands and six months from the northeast, so that they are constantly windswept. This makes a radical difference between the climate of the islands and that of the lowlands of India for instance. The last two decades, especially the latter, have taught us much in respect to tropical diseases, their causes, their proper treatment, and the best method of avoiding them. This was one of the most valuable results of the Spanish war.

In his address as president of the Philippine Medical Association, in March, 1905, Dr. John R. McDill, who came first to the islands as a leading army surgeon and who left the Army to carry on a most successful practice in Manila, said:

We have come to esteem to the utmost the climate which so effectually guards many of you against the too strenuous life and which is almost ideal eight months in the year, even in Manila. Our professional experience has proven that, excepting some intestinal disorders which we are rapidly preventing and curing, and a limited amount of epidemic infectious diseases, there is nothing unusual about the kind or amount of disease encountered here, or its successful treatment when hospital care is available. The surgeon's work has fully demonstrated that ideal wound healing and convalescence after operation is as much the rule here as anywhere in the world. We physicians also know that, and appreciate that the dread diseases of childhood so prevalent at home are rare here, and that of all the ills particularly among women from real bodily ailments to a poor complexion for which the climate is usually blamed, the great majority are hereditary or acquired, were brought here by the patient and often aggravated by careless and unhygienic living. For old people and

children, the climate is an earthly elysium. * * * With the improved and constantly improving conditions of living, we believe that almost all will agree that by observing the normal and moral life, healthy Americans can live about as long here and enjoy as good health and do as much good and hard work, more than three-fourths of the year, as we could in the home land.

The death rate among American soldiers in the Philippines for the last year was 8.5 per thousand, and the previous year 8.65. General Wood reports that the size of the sick report can not be properly charged to the climate, that, taken as a whole, the reports for the years indicate a decided improvement in health conditions, and that the men leaving the islands after a regular tour of more than two years present a far better appearance than those of the incoming.

The death rate among American civilians in Manila for the fiscal year ending June 30, 1907, was 5.59 per thousand, a reduction from the previous year. The death rate among Filipinos this year in Manila was 36.9 per thousand and among Spaniards 15.84, both reductions from the previous year.

During the decade of our stay in the islands, the conditions of life for Americans have steadily bettered. We have become acquainted with hygienic methods of living, and the death rate of Americans of the same social condition in the Philippines is certainly not greater than in the cities of the Southern States, and is, as we have seen, very much less than that among Filipinos.

If the United States is to continue its governmental relations with the Philippines for more than a generation, and its business and social relations indefinitely, the fact that Americans can live healthful lives in the Philippines is important of itself; but I have cited these statistics and this expert opinion to show more than this—I believe that it has an important bearing upon another kind of progress possible among the Filipino people, and that it opens another important field of education for the American government to cultivate in the islands.

No one can be in the Philippines long without realizing that as a race the Filipinos are small of stature, slight of frame and flesh, and with small powers of resistance to epidemic diseases. It has been supposed that because of their nativity the Filipinos were not subject to the malarial, intestinal, and dysenteric troubles that afflict Americans and Europeans, and that measures taken to avoid or cure such troubles in the case of the foreigner were unnecessary and superfluous with the Filipinos. Recent investigations of a systematic kind, carried on by keeping comparative statistics of all the official autopsies made in the islands, seem to show that the assumption that the Filipinos are immune from the forms of disease I have mentioned is without foundation. The autopsies of 100 cases showed in a great majority the germs of malaria, of amœbic dysentery, and that microbe of the so-called "lazy" disease of Porto Rico known as the "hookworm." It is true

that the diseases were not active or acute, but their presence in the system of course weakened the constitution of the subject and could easily explain his anæmic condition, his smallness of stature, and small powers of resistance. Malaria, of course, is produced or at least transmitted by the mosquito, while amœbic dysentery and the "lazy" disease are water-borne and proceed directly from the miserable sources of water supply in most Filipino towns. Proper precautions can avoid all these; or at least can greatly reduce the number of victims.

In Manila, 60 per cent of all infants born die during the first year of their lives, and there is no reason to believe that infant mortality in other parts of the islands is less. This frightful percentage is brought about by ignorance and neglect of the mothers in feeding their babies. There are very few if any milch cows in the islands, and the little ones are fed with all sorts of impossible things. They die generally of a lack of nourishment. There is no reason why, if the mothers were correctly taught and proper infant food were brought within the reach of the poor, this awful rate of infant mortality might not be reduced. Not only is there an actual loss of life which might be avoided, but the babies which live through such treatment and nourishment are not apt to make strong men and women, but are likely to become victims of anæmia and other diseases mentioned as shown in the autopsies I have referred to.

I do not think it is unjust to the Spanish régime in the Philippines to say that very little if any attention was paid to sanitation according to modern methods. In the city of Manila and in the other large towns of the islands the American military medical authorities, who were the first to assume responsibility for the health of the islands, found the same utter disregard of the proper rules for the disposition of house sewage that was found in Habana. Thousands, yes, tens of thousands, of Filipinos were carried off year after year by a peculiarly virulent type of smallpox.

In Manila, in Cebu, and in Nueva Caceres, respectively, were leper hospitals, but in each the management was inefficient and the care of the inmates poor. More than this, no supervision was exercised to isolate lepers not in hospitals. Some times the poor creatures were driven out of villages by popular riots and herded together with no proper food and no shelter. The contact of lepers with the people of course only increased the number of cases of the dread disease.

In 1885 or 1886 the islands were visited by an epidemic of cholera and the prostration of the people of Manila and the Philippines, due to the rapid spread of the scourge, beggared description. In Manila the deaths were 1,000 or more a day from that cause alone for a number of weeks. The trade proximity of Manila, Iloilo, and Cebu, to China, India, Java, Burma, and the Straits Settlements, makes the

danger of transmitting tropical and other infectious diseases very much greater.

Quarantine in Spanish times was lax. The American Army medical authorities took hold of the matter of sanitation in their usual vigorous way and made much progress in the matter of quarantine and in correcting the glaringly insanitary conditions in Manila. But it remained for the civil government to effect a thorough organization of a health department which could do permanent good.

The introduction of sanitary methods by law among the people has given rise to more dissatisfaction and greater criticism of the government than any other one cause. The truth is that the people have to be educated in the effectiveness of such methods before they can become reconciled to them, and the work of the health department since the beginning of the civil government in 1901 has been obstructed, first, by the inertia and indifference of the people in respect to the matter, and second, by their active resistance to affirmative restraints upon them necessary to prevent disease.

The fight against smallpox has been so successful that in the past year not a single death from it occurred in Manila, and in the provinces of Cavite, Batangas, Cebu, Rizal, Bataan, La Laguna and La Union, where, heretofore there have been approximately 6,000 deaths per year not one was reported. In the few places in other provinces where smallpox appeared it made little headway. More than 2,000,000 vaccinations against smallpox were performed last year, and vaccination is being carried on so that it will reach every inhabitant of the islands.

In 1902 Asiatic cholera appeared. The loss the first year by reason of the methods introduced was much less than it had been fifteen or sixteen years before, but great difficulty was encountered in putting into force the health regulations and a futile attempt was made to establish quarantine between localities in the islands. Since that time a better system of isolation and stamping out the disease in the locality where it appeared has been followed, and it is gratifying to note that although the dread disease appeared each year, it was finally brought to an end on November 27, 1906, and the authorities now feel that the people have been so thoroughly roused to the best methods of treating the disease that any local reappearance of it can be readily suppressed.

In 1902 or 1903 the bubonic plague appeared in the islands. This has been suppressed by the isolation of all persons suffering from the disease and the destruction of plague-infected rats so that during the last year there were no cases of bubonic plague whatever.

When the Americans first began government in the Philippines it was reported that leprosy was so widely extended in the islands that there were probably from 25,000 to 50,000 lepers to be cared for.

After many unsuccessful efforts a leper colony has finally been established at Culion, a healthful and attractive island between Panay and Palawan, to which all the lepers of the islands are now being gradually removed. The number probably does not exceed 3,000. The course pursued is to take each province separately and by thorough investigation of the reported cases of lepers, determine those of true leprosy and to remove them thence to the colony of Culion. The experiment at first was a doubtful one because of the objection of the lepers to being taken so far away from their homes, and some of the friends of lepers made vigorous objections to this course. After the removal of the first 500, however, and when they found how comfortable and agreeable life at Culion was, the objections ceased. Leprosy as a disease usually does not directly kill its victims, but it so weakens the powers of their resistance that the rate of mortality from other causes among lepers is very high. The system of isolation and withdrawing lepers from the thickly populated communities has been at once justified by the reduction in the number of new case. The number of known lepers in the archipelago on September 1, 1905, was 3,580; on June 30, 1907, it was 2,826, a decrease of 654, due to the death of the known lepers without any spread of the disease as had been the case in previous years and under different conditions. The policy of removal of lepers is one which can only be carried out gradually and has been applied only to a part of the provinces, but it will probably be completed in three or four years when all the lepers will be removed to Culion and the effect of this isolation will certainly be to reduce the infection of healthful persons with the awful disease to a minimum.

The fruitful source of the spread of amœbic dysentery is the drinking of impure water. The water supply of Manila is drawn from the Mariquina River after it has passed through three or four thickly populated towns and an immense amount of trouble and labor has been expended in trying to preserve the river from contamination by these towns. Military forces have been picketed along the banks and the most stringent regulations have been enforced against the inhabitants. Much has been accomplished in this matter, but still the water is dangerous to drink unless boiled and filtered. With a view to the removal of this difficulty, new waterworks are in the process of building at a cost to the city of Manila of about two millions of dollars. The water is to be drawn from a point very much farther up the Mariquina River, at a distance of about 25 miles from Manila, and is to be accumulated in a reservoir by damming the river at a point where nature apparently intended a dam to be put. Pure mountain water will thus be obtained which is to be carried to the city of Manila simply by the power of gravity. The new improvement is 80 per cent done and water will flow into the city probably by July of 1908.

In addition to this a new sewer system has been projected and is under construction in the city of Manila and 18 miles of the deep and main trunk sewers have been laid in the city. The mileage of the remainder of the sewers is very much greater, but the engineer estimates that about half of the work has been done. The project contemplates the establishment of reservoirs and the pumping of sewage out into the bay at such a distance as to prevent its retaining any noxious character. The difficulty of sewerage Manila can be understood when it is known that the level of the ground in the city is only a few feet above high water mark. With the completion of the water and sewer systems and the canalization of the esteros or canals, with which the city is threaded, a work which is projected and which will cost about \$400,000, there is no doubt that Manila will become as healthful a tropical city as there is in the world.

The very high death rate in the city is due to the frightful mortality among the native infants under 1 year of age already alluded to. The absence of pure milk for babes in the Philippines accounts for a good deal of this mortality, and a charitable organization has been established for the circulation at reasonable cost of milk for infants among both the poor and rich classes. The destruction of all the horned cattle by rinderpest has reduced the supply of milk and made it expensive. This adds greatly to the difficulty presented. The lack of nourishment makes the child an easy victim to any disease, and until Filipino mothers are taught properly to bring up their children, we may expect this infant mortality to continue, but it is subject to cure, and the methods adopted by the government and the charitable organizations, including the churches, whose interest is aroused, may be depended on to bring about a reform in this matter.

It is a fact that throughout the islands too, a great deal of the mortality, among both children and adults, is due to water-borne diseases. The supply of water in each village is generally contaminated and noxious. The government has taken steps to induce every town to sink artesian wells for the purpose of giving its inhabitants pure water. Several well-boring machines have been purchased by the government and have been offered to the towns for use by them on condition of their supplying the fuel and the labor necessary. Wherever artesian wells have been sunk and a good supply of water found, the death rate in the town has been reduced 50 per cent. With a knowledge of the effectiveness of this remedy, it is certain that the government will continue to press upon the towns the necessity of the comparatively small expenditure necessary to secure proper water, for it appears that in most towns in the islands artesian water is available.

There is no reason why the whole Filipino race may not be made stronger and better by the pursuit of proper sanitary methods with

respect to the ordinary functions of life. The spread of education, the knowledge of cause and effect in this matter, together with the sympathetic assistance and regulation of the government are all that is needed to rid the Filipino of the obstructions to bodily growth and strength which injurious microbes and bacteria living in the body now create. The bureau of health and the bureau of science, which has actively aided the bureau of health in the investigations made, have now commended themselves to the Filipino people in such a way that there is every reason to hope that the foundation for better health in the islands has been permanently laid.

The government has this year established and begun a Government Medical School, the faculty of which is made up partly of Filipinos and partly of Americans, and the most modern methods of instruction are projected. A fine laboratory, already erected near the place where the medical school building is to be constructed and a general government hospital in the immediate neighborhood will furnish a nucleus for the study of tropical diseases and the proper methods of sanitation. The graduates of this college as they grow in number and spread all over the islands into regions most of which have never known a physician at all will greatly contribute to the physical change and development for the better of the Filipino.

The health department has been exceedingly expensive, and the amount taken from the treasury each year has been subject to much criticism, but the results are so gratifying that even the most captious seems now willing to admit that the expenditure was wise, prudent, and justified. A most thorough quarantine has been established and maintained under the auspices of the United States Public Health and Marine-Hospital Service in the ports of entry in the islands.

As is well understood now the mosquito is the means of communicating malaria and yellow fever and other diseases. It is supposed that the *Stegomyia* mosquito, which carries the yellow fever, is found in the Philippines, although no case of the fever has ever occurred in the Islands. The importance of the mosquito in the Philippines is confined to malaria at present. Varieties of the insect carrying most malignant malaria are found to generate in the salt-water marshes, though ordinarily it has been supposed that the *Anopheles* mosquito conveying malaria generated only in fresh water. The wet season seems to interfere with the operations of the mosquito by throwing so much water into the streams as to prevent the stagnation necessary to their successful propagation. A singular instance of this is found in the old walled city of Manila. The old walled city has a sewer system for storm or surface-water drainage. During the wet season there is practically no malaria in the walled city, but during the dry season there is a great deal. It has been found that in the dry

season in the absence of rainy weather the sewers contain stagnant pools in which the *Anopheles* mosquito is generated in great numbers and thus carries on his business of conveying malaria from one inhabitant of the walled city to another, whereas in the rainy season the sewers are flushed all the time and there is no opportunity to the mosquito to propagate. Measures have now been taken to flush the sewers of the walled city in the dry season and rid the inhabitants of this pest until the new sewer system shall be put in operation, when the evil can be entirely eradicated.

BENGUET.—A HEALTH RESORT.

In all the tropical countries in which civilized government has been established and progress made toward the betterment of conditions of human life, places have been found and settlements effected in high altitudes where the conditions approximate in atmosphere and climate those of the Temperate Zone. This is true in India, in Ceylon, in Java, and wherever there are neighboring mountains which offer the opportunity.

The Philippines are fortunate in having a territory in Luzon in the mountains of an altitude ranging from 4,500 to 7,000 feet, a rolling country filled with groves of pine trees and grass, in which the temperature rarely goes below 40° and never goes above 80° in the shade. The province containing most of this territory is called "Benguet." Similar climate is found in the adjoining provinces of Lepanto and Bontoc. The railway from Manila to Dagupan has now been extended to what is called "Camp No. 1," a distance of 22 miles from Baguio, the chief town in Benguet, where is the government sanitarium and other places of resort and cure. At the cost of about two millions of dollars, the government has constructed a fine road up the gorge of the Bued River to a height of 5,000 feet. The work would probably never have been entered upon, had it been supposed that it would be so costly, but now that it is done, and well done, the advantages accruing and soon to accrue, justify the expenditure.

The representatives of all the churches in the islands have taken lots and are putting up buildings, hospitals of various kinds are to be erected, there is a sanitarium, the Commission holds part of its sessions there, and it is hoped that the assembly will see fit to do the same thing. A great many Filipinos recuperate by going to Japan or Europe, but here within easy distance of Manila will be offered an opportunity where the same kind of revitalizing atmosphere may be found as in a temperate climate. The Filipinos were at first disposed to criticise the expenditure on the ground that the road was built solely for the few American officials who expected to live there a large part of their time. The lots were offered at public auction and a great many were purchased by Filipinos, and

now it is generally understood that the value of such a place in the Philippine Islands has impressed itself upon the Filipino public at large. The present necessity is the construction of a railroad from Camp No. 1 directly into Baguio and steps have been taken to bring this about. A large military reservation has been set aside which it is hoped may be made into a brigade post for the recuperation of our soldiers while in the Philippines. The railroad is likely to have the patronage of those who spend part of their time at Baguio, going and coming from Manila and other parts of the islands, and also with the construction of a good hotel in Manila and another one at Baguio there is not the slightest reason to doubt that a large tourist patronage will be invited for both places. Meantime the health-giving influence of the climate at Baguio can not but exercise a good effect upon the young Filipinos who may be sent there to be educated and upon those Filipinos who have been subject to tropical diseases and have the time and means for visiting this mountain resort. With the construction of a railroad, transportation to Baguio may be made exceedingly reasonable and sanitariums built which will furnish for very moderate cost a healthful regimen and diet. Benguet is really a part of the system of government sanitation and may properly be mentioned in connection with it here.

Comparative mortality from January 1, 1901, to September 30, 1907.

Month.	1901.		1902.		1903.		1904.	
	Number of deaths.	Annual death rate per 1,000.	Number of deaths.	Annual death rate per 1,000.	Number of deaths.	Annual death rate per 1,000.	Number of deaths.	Annual death rate per 1,000.
January	753	a 36.25	760	a 36.58	602	a 28.98	796	b 42.64
February	689	a 36.72	706	a 37.63	511	a 27.23	709	b 40.59
March	885	a 42.66	770	a 37.06	539	a 25.94	751	b 40.23
April	886	a 44.07	1,327	a 66.01	549	a 27.81	748	b 41.40
May	903	a 43.47	1,688	a 81.26	770	a 37.06	766	b 41.03
June	621	a 30.89	1,418	a 70.54	592	a 29.45	800	b 44.28
July	608	a 29.27	2,223	a 107.02	620	b 33.21	866	b 46.39
August	702	a 33.79	1,712	a 82.42	862	b 46.17	1,082	b 56.28
September	767	a 38.15	1,132	a 56.31	1,228	b 67.97	1,064	b 58.89
October	855	a 41.16	927	a 44.62	1,217	b 65.19	1,018	b 54.53
November	848	a 42.18	1,035	a 51.48	974	b 63.91	957	b 52.97
December	858	a 41.80	753	a 36.25	894	b 47.89	794	b 42.53

Month.	1905.		1906.		1907.	
	Number of deaths.	Annual death rate per 1,000.	Number of deaths.	Annual death rate per 1,000.	Number of deaths.	Annual death rate per 1,000.
January	685	b 36.69	737	b 39.47	632	c 33.81
February	608	b 36.05	595	b 35.28	473	c 27.59
March	563	b 30.16	600	b 32.18	464	c 24.45
April	530	b 29.32	555	b 30.27	416	c 22.65
May	526	b 24.16	600	b 32.13	462	c 24.36
June	593	b 32.81	693	b 36.72	402	c 21.89
July	747	b 40.00	1,451	b 77.72	515	c 27.14
August	841	b 45.03	1,182	b 63.31	653	c 34.41
September	1,013	b 56.06	835	b 46.22	768	c 41.82
October	850	b 45.51	684	b 36.64		
November	944	b 52.24	653	b 36.14		
December	841	b 45.03	597	b 31.98		

a Death rate computed on population of 244,732 (health department's census).

b Death rate computed on population of 219,941 (official census, 1903).

c Death rate computed on population of 223,542 (health census, 1907).

Mortality compared with same period of previous years.

	First quarter.		Second quarter.		Third quarter.		Fourth quarter.	
	Number of deaths.	Annual death rate per 1,000.	Number of deaths.	Annual death rate per 1,000.	Number of deaths.	Annual death rate per 1,000.	Number of deaths.	Annual death rate per 1,000.
1901	2,327	42.93	2,410	43.97	2,077	47.49	2,561	46.22
1902	2,236	41.25	4,433	80.89	5,067	91.46	2,715	29.00
1903	1,652	30.48	1,911	34.87	2,710	48.91	3,085	55.68
1904	2,256	41.16	2,314	42.22	2,962	53.46	2,769	49.98
1905	1,856	34.24	1,649	30.09	2,601	46.94	2,635	47.56
1906	1,932	35.64	1,848	33.72	3,468	62.59	1,984	34.90
1907	1,569	28.48	1,280	22.98	1,986	34.88	.....	.....

MATERIAL PROGRESS AND BUSINESS CONDITIONS.

I come now to material conditions in the islands and the progress that has been made in respect to them. While there is reason to hope that the mining industry may be very much improved and developed, the future of the islands is almost wholly involved in the development of its agricultural resources, and the business of the islands must necessarily depend on the question of how much its inhabitants can get out of the ground. In bringing about the reforms and making the progress which I have been detailing, the government has had to meet disadvantageous conditions in respect to agriculture that can hardly be exaggerated.

The chief products of the islands are abacá, or Manila hemp as it is generally called, the fiber of a fruitless variety of banana plant; cocoanuts, generally in the form of the dried cocoanut meat called "copra;" sugar, exported in a form having the lowest degree of polarization known in commerce, and tobacco exported in the leaf and also in cigars and cigarettes. There are other exports of course, but these form the bulk of the merchantable products of the islands. In addition to these, and in excess of most of them except hemp, is the production of rice which constitutes the staple food of the inhabitants. Some years before the Americans came to the islands the production of rice had diminished in extent because the hemp fiber grew so much in demand that it was found to be more profitable to raise hemp and buy the rice from abroad. In the first few years of the American occupation, however, during the insurrection and the continuance of the guerrilla warfare, and finally the prevalence of ladronism, many of the rice fields lay idle and the importation of rice reached the enormous figure of twelve millions of dollars gold, or about four-tenths of the total imports. With the restoration of better conditions, the production in rice has increased so that the amount of rice now imported is only about \$3,500,000 in gold, and the difference between the two importations doubtless measures the increased native production of the cereal.

During the six years of American occupancy under the civil government agriculture has been subject to the violent destruction which is more or less characteristic of all tropical countries. The typhoons have damaged the cocoanut trees, they have at times destroyed or very much affected the hemp production, and drought has injured the rice as well as the cocoanuts. The character of the tobacco leaf has deteriorated much because of a lack of care in its cultivation due to the loose and careless habits of agriculture caused by war and ladronism, and locusts have at times cleared the fields of other crops without leaving anything for the food of the cultivators.

The great disaster to the islands, however, has been the rinderpest, which carried away in two or three years 75 or 80 per cent of all draft cattle in the islands. This was a blow under which the agriculture of the islands has been struggling for now four or five years. Attempts were made, under the generous legislation of Congress appropriating three millions of dollars to remedy the loss if possible, to bring in cattle from other countries, but it was found that the cattle brought in not being acclimated died, most of them before they could be transferred to the farm, and then too they only added to the difficulty of the situation by bringing new diseases into the Philippines. It has been found that nothing can restore former conditions except the natural breeding of the survivors, and in this way it will certainly take five or six years more to restore matters to their normal condition. Meantime, of course, other means are sought and encouraged for transportation and for plowing. The difficulty in the use of horses is that an Indian disease called the "surra," which it has been impossible to cure, has carried off 50 per cent of the horses of the islands. Considering these difficulties, it seems to me wonderful that the exports from the islands have so far exceeded the exports in Spanish times and have been so well maintained that last year there was more exported from the islands than ever before in the history of the Philippines, as will be seen from the following table:

Value of Philippine exports, 1903-1907 of American occupation.

Fiscal year.	Hemp.	Sugar.	Tobacco and manufactures.	Copra.	All other.	Total.
	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>
1903.....	21,701,575	3,955,568	1,882,018	4,473,029	1,107,709	33,119,899
1904.....	21,794,960	2,668,507	2,013,287	2,527,019	1,246,854	30,250,627
1905.....	22,146,241	4,977,026	1,999,193	2,095,355	1,134,800	32,352,615
1906.....	19,446,769	4,863,865	2,389,890	4,043,115	1,173,495	31,917,134
1907.....	21,085,081	3,934,460	3,129,194	4,053,193	1,511,429	33,713,357
Average annual.....	21,234,925	4,079,885	2,282,716	3,438,342	1,234,857	32,270,726

NOTE.—Total exports do not include gold and silver coin.

The largest export showing in Spanish times, during years for which there are official statistics, was as follows:

Value of Philippine exports in Spanish times, calendar years 1885-1894.

Calendar year.	Hemp.	Sugar.	Tobacco and manufactures.	Copra. ^a	Total, including all other articles.
	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>
1885	5,509,757	8,669,522	2,297,858	.....	20,561,434
1886	4,340,058	7,019,978	2,010,088	5,781	20,113,847
1887	8,161,550	6,156,709	1,559,070	36,809	19,447,997
1888	8,099,422	6,271,080	2,449,181	181,847	19,404,434
1889	10,402,614	9,101,024	2,255,494	209,820	25,671,322
Average annual	7,302,680	7,443,653	2,114,240	76,752	21,037,807
1890	6,925,564	7,265,030	2,469,033	85,764	21,547,541
1891	10,323,918	6,696,746	2,150,806	.....	20,878,869
1892	6,886,526	7,768,595	2,535,740	743,918	19,163,950
1893	7,697,164	10,968,883	2,438,304	414,652	22,138,223
1894	7,243,842	5,476,617	1,576,175	1,172,191	16,541,842
Average annual	7,815,402	7,315,174	2,232,912	483,305	20,062,983

^a Value of coconuts included.

NOTE.—Figures are taken from "Estadística general del comercio exterior de las Islas Filipinas," issued by the Spanish Government.
Total exports include gold and silver coin.

The chief export in value and quantity from the Philippines is Manila hemp, it amounting to between 60 and 65 per cent of the total exports. Its value has increased very rapidly of late and the result has been that much inferior hemp has been exported, because it could be produced more cheaply and in greater quantity. That which has made the hemp expensive and has reduced the export of it—for large quantities of it rot in the field still—is the lack of transportation and the heavy expense of the labor involved in pulling the fiber and freeing it from the pulp of the stem. Several machines have been invented to do this mechanically and it seems likely now that two have been invented which may do the work, although they have not been sufficiently tested to make this certain. Should a light, portable, and durable machine be invented which would accomplish this, it will revolutionize the exportation of hemp and will probably have a tendency to reduce its cost, but greatly to increase its use and to develop the export business of the Philippine Islands most rapidly.

SUGAR AND TOBACCO—REDUCTION OF TARIFF.

There is a good deal of land available for sugar in the Philippines, but there is very little of it as good as that in Cuba, and the amount of capital involved in developing it is so great that I think the possibility of the extension of the sugar production is quite remote. The moment it expands, the price of labor which has already increased 50 to 75 per cent will have another increase. All that can really be expected

is that the sugar industry—and this is also true of the tobacco industry—shall be restored to their former prosperity in the earlier Spanish times when the highest export of sugar reached 265,000 tons to all the world.

The tobacco industry needs a careful cultivation which, under present conditions, it is very difficult to secure. The carelessness with which the plant is grown and the defective character of the leaves is such as to make the manufacturers of cigars and tobacco in Manila despair of using the Philippine product without the addition of the wrappers either from Sumatra or the United States.

All that a friend of the Philippines can hope for is that the sugar and tobacco industries shall regain their former reasonably prosperous conditions. The development of the islands must be in another direction. The question of labor and capital both must always seriously hamper the growth of sugar production. Nor would I regard it as a beneficial result for the Philippine Islands to have the fields of those islands turned exclusively to the growth of sugar. The social conditions that this would bring about would not promise well for the political and industrial development of the people, because the cane sugar industry makes a society in which there are wealthy landowners holding very large estates with most valuable and expensive plants and a large population of unskilled labor, with no small farming or middle class tending to build up a conservative, self-respecting community from bottom to top. But, while I have this view in respect to the matter, I am still strongly of the opinion that justice requires that the United States should open her sugar and tobacco markets to the Philippines. I am very confident that such a course would not injure, by way of competition, either the sugar or the tobacco industries of the United States, but that it would merely substitute Philippine sugar and tobacco for a comparatively small part of the sugar and tobacco that now comes in after paying duty. Their free admission into this country would not affect the prices of sugar and tobacco in the United States as long as any substantial amount of those commodities must be imported with the full duty paid in order to supply the markets of the United States.

So confident am I that the development, which the sugar and tobacco interests of the United States fear in the Philippines from an admission of those products free to the United States, will not ensue to the injury of those interests that I would not object to a limitation on the amount of sugar and tobacco in its various forms, manufactured and unmanufactured, which may be admitted to the United States from the Philippines, the limitation being such a reasonable amount as would admittedly not affect the price of either commodity in the United States or lead to a great exploitation of the sugar and

tobacco interests in the islands. The free admission of sugar and tobacco up to the amount of the proposed limitation, for the purpose of restoring the former prosperity in these two products to the islands, is very important. There are two or three provinces, notably Occidental Negros and the island of Panay, the prosperity of which is bound up in good markets for sugar, and this is true also of some parts of Laguna, Cavite, Bulacan, and Pampanga, where sugar was raised in the old days with success and profit. In respect to tobacco, the need is not so pressing because the territory in which marketable tobacco culture prevails is by no means so great. Still it does affect three provinces, Cagayan, Isabela, and La Union.

FODDER.

The agricultural bureau of the government has been devoting a great deal of effort and time and money to experimenting in agriculture. They have made many failures and have not yet succeeded certainly in sowing a grass which will properly cure and may be used for hay. It is hoped that in certain of the higher altitudes alfalfa, and especially clover, may be raised successfully; and if so the very high price which has now to be paid for fodder imported from America may be avoided. This is a question which seriously affects the cost of the Army in the Philippines.

NEW PLANTS.

Through the agricultural bureau a new industry has been developed, that of raising maguey, a plant, the fiber of which is much less valuable than that of Manila hemp, but which has a good market whenever it is produced in quantities. The rapidity with which a great deal of land in the Philippines that heretofore has not been capable of profitable use is now taken up with the planting of maguey is most encouraging. The plants are being distributed by the agricultural bureau in the islands.

THE FINANCIAL CONDITION OF THE GOVERNMENT.

The financial condition of the government is as good to-day as it ever has been. The following table shows what it is, and the surplus on hand for emergencies is satisfactory:

General account balance sheet of the government of the Philippine Islands for the fiscal year ended June 30, 1907.

	Debit.	Credit.
Surplus and deficiency account:		
Balance from previous years		\$1,439,974.02
Excess revenues over expenditures		2,741,606.41
Excess resources over liabilities	\$7,500,782.29	
Carried from suspense account		319,201.86
Total	7,500,782.29	7,500,782.29
Insular revenues and expenditures:		
Customs revenues		7,990,376.57
Internal revenue		2,684,579.24
Miscellaneous revenues		389,440.25
Insular expenditures	6,968,724.86	
Payments to provinces	1,438,440.40	
Losses under section 41, act 1402	346.20	
Allowances under section 42, act 1402	501.88	
Inter-bureau transactions		85,223.19
Total	8,408,012.84	11,149,619.25
Excess revenues over expenditures	2,741,606.41	
	11,149,619.25	11,149,619.25
Resources and liabilities:		
The insular treasurer's cash balance	25,038,490.93	
Gold-standard fund	1,006,753.13	
Surplus on customs auction sales		466.84
Invalid money orders		2,047.14
Outstanding liabilities		5,229.40
Loans to provinces	481,137.55	
Refundable export duties		418,698.89
City of Manila	3,661,255.31	
Outstanding warrants		139,136.45
Friar lands funds	6,670,548.06	
Moro Province	45,646.13	
Depository fund		3,956,263.00
Silver certificate redemption fund		10,770,354.00
Refundable internal revenues		331,970.80
Public works and permanent improvement fund	2,198,249.70	
Congressional relief fund		236,934.79
Sewer and waterworks construction fund		1,855,081.84
Insular treasurer's liability on unissued silver certificates	9,702,500.00	
Unissued silver certificates		9,702,500.00
Miscellaneous special funds		387,095.17
Provincial governments		1,132,743.62
Philippine money-order account		182,576.54
United States money-order account		128,201.86
Bonded indebtedness		14,500,000.00
Outstanding postal drafts		2,283.29
Friar land bond sinking fund	106,216.92	
Sewer and waterworks construction bond sinking fund		39,894.34
Rizal monument fund		1,413.20
Baguio town-site improvement fund		1,525.19
Collecting and disbursing officers	2,384,404.42	
Total	51,290,202.15	43,789,419.86
Excess resources over liabilities		7,500,782.29
Total	51,290,202.15	51,290,202.15
Suspense account:		
Transfer of funds		7,674.49
General account deposits		195,263.24
Accountable warrants		116,264.13
Carried to surplus and deficiency account	319,201.86	
Total	319,201.86	319,201.86
Treasury account:		
Balance from previous fiscal years	22,461,858.40	
Receipts at the treasury	112,780,022.27	
Withdrawals from the treasury		110,347,526.19
Available for appropriation		5,218,817.54
Appropriations undrawn		4,948,919.94
Available for refundment or redemption		14,726,617.00
Total	135,241,880.67	135,241,880.67

The following statement of revenues and expenditures of the Philippine government, exclusive of all items of a refundable character, covers the period from the date of American occupation, August 18, 1898, to June 30, 1907.

Revenues.

Fiscal year ended June 30—	Insular.	Provincial.	City of Manila.	Total.
1899	\$3,558,682.83			\$3,558,682.83
1900	6,899,340.53			6,899,340.53
1901	10,753,459.95			10,753,459.95
1902	9,371,283.11	\$2,008,480.88	\$1,199,593.21	12,579,357.20
1903	10,757,455.63	2,527,252.93	1,541,575.85	14,826,284.41
1904	10,249,263.98	3,295,839.47	1,981,129.97	15,476,233.42
1905	11,549,495.37	3,107,912.91	1,441,165.82	16,098,574.10
1906	11,468,067.16	4,509,572.02	1,995,289.85	17,972,929.03
1907	11,149,619.25	4,604,528.31	1,691,341.93	17,445,489.49
Total.....	85,756,667.81	20,053,586.52	9,800,096.63	115,610,350.96

Expenditures.

1899	\$2,376,327.12			\$2,376,327.12
1900	4,758,798.66			4,758,798.66
1901	6,451,528.37			6,451,528.37
1902	8,189,404.59	\$1,633,158.22	\$622,294.81	10,444,857.62
1903	10,249,533.40	1,981,261.22	1,177,611.67	13,408,406.29
1904	11,122,562.38	2,339,826.10	1,578,308.50	15,040,691.98
1905	12,248,857.33	1,474,320.43	2,574,102.78	16,297,280.54
1906	10,146,779.12	4,335,091.32	2,492,392.23	16,974,262.67
1907	8,408,012.84	4,736,038.20	1,560,801.40	14,704,852.44
Total.....	73,951,798.81	16,499,695.49	10,005,506.39	100,457,000.69

The bonded indebtedness is as follows:

Title of bonds.	Authorized by Congress.	Amount of issue.	Date issued.	Redeemable.	Due.
Land purchase bonds.....	Act of July 1, 1902	\$7,000,000	Jan. 11, 1904	1914	1934
Philippine public improvement bonds:					
First issue.....	Act of Feb. 6, 1905.....	2,500,000	Mar. 1, 1905	1915	1935
Second issue.....	.....do	1,000,000	Feb. 1, 1906	1916	1936
Manila sewer and water supply bonds:					
First issue.....	Act of July 1, 1902, as amended by act of Feb. 6, 1905.	1,000,000	June 1, 1906	1915	1935
Second issue.....	.....do	2,000,000	Jan. 2, 1907	1917	1937
Total.....		13,500,000			

To meet the interest and principal on these bonds ample sinking funds have been provided, and the bonds are now held on the market, notwithstanding the present depression, at prices well above those for which they were originally sold.

FRIARS' LANDS.

The question of the disposition of the friars' lands is one which is occupying the close attention of the Secretary of the Interior and the Director of Lands. The price of the lands was about \$7,000,000.

Much delay has been encountered in making the necessary surveys and the disposition of them for the present has largely been temporary and at small rents in order to secure an attornment of all the tenants and the clear definition of the limits of the leaseholds claimed by them. This has involved considerable time and expense in making the necessary surveys. The injury to the sugar industry and the destruction of draft cattle has affected the price and character of the sugar lands, and they have been allowed to grow up in cogon grass. This will require the investment of considerable capital to put them in sugar producing condition. It is estimated that the salable lands would amount in value to something over \$5,000,000 and that the lands, mostly sugar, which are not now salable, and the plants which were bought with the lands, represent the other \$2,000,000 of the purchase price. It will take some years to work out the cost and it is possible, as already prophesied, that there will be a considerable loss to the islands, but as the purchase was based on political grounds and for the purpose of bringing on tranquillity, such a loss as that which was thought not improbable at the time of the purchase is amply compensated for in the general result.

FINAL SETTLEMENT IN RESPECT TO CHARITABLE TRUSTS AND SPANISH-FILIPINO BANK WITH ROMAN CATHOLIC CHURCH.

I have spoken in previous reports of the controversies arising between the Roman Catholic Church and the Philippine government in reference to the administration of certain charitable trusts. The same church was interested as a majority stockholder in the Spanish-Filipino Bank and a dispute had arisen as to the right of the bank to exercise the power conferred on it by its original charter of issuing bank notes in an amount equal to three times its capital stock. A compromise was finally arranged last June with Archbishop Harty of Manila and was consummated during my visit to the Philippines. I submitted to you a full report of this compromise. It received your approval and was then carried into effect by the Philippine Commission.

ROADS.

The construction of roads by the central government has gone on each year, but the roads have not been kept up by the municipal governments charged with the duty as they ought to have been. The Commission has now established a system by which it is hoped ultimately that the whole matter of roads may receive a systematic impetus throughout the islands. Roads can not be kept up in the

Tropics except by what is known as the "*caminero*" system, in which a small piece of each road shall be assigned to the repair and control of a road repairer to be known as the "*caminero*." The truth is that good roads will develop as the people develop, because the people can keep up the roads if they will, and it is not until they have a large sense of political responsibility that they are likely to sacrifice much to maintain them.

RAILROADS IN THE PHILIPPINES.

In my last annual report, I set forth in detail the concessions granted for the construction of railroads in Luzon, Panay, Cebu, and Negros, and showed that within five years we might expect that, instead of a single line of railway 120 miles in length which was all that we found when we occupied the islands, we would have a system with a mileage of 1,000 miles. Work has gone on in full compliance with the terms of the concessions of the two companies.

Only one of these companies took advantage of the provision for the guaranty of bonds, and they have built about 40 miles of road and have earned, under the terms of the concession, the guaranty of \$973,000 of bonds, which has already been signed and delivered by the Philippine government. Of course, in this financial panic these companies are likely to have difficulty in securing investors in their securities. The roads as constructed have been well constructed, and are admirably adapted to resist the climatic conditions in the islands. There is no reason in my judgment why these roads when constructed should not pay a reasonable percentage upon the investment. It is of the utmost difficulty to secure the coming of capital to the islands, and it would greatly aid us if the dividends earned by these roads were very large. In the Orient two-thirds of the income of railways comes from passenger earnings, and one-third from freight. Of course, the railroads are very essential to the agricultural interests of the country and will directly affect the amount of exports of agricultural products—so we may count on a steady increase in the freight receipts from the moment of their beginning operation. As I say, however, the chief hope for profit in the railways is in the passenger traffic. In the three Visayas in which the railroads are to be constructed, the density of population is about 160 per square mile, whereas the average population per square mile in the United States in 1900 was but 26. The Island of Cebu has a population of 336 per square mile, or a greater density than Japan, France, Germany, or British India. It is, therefore, reasonable to suppose that the passenger earnings on these railroads will be very large. It was anticipated that the labor problem would be a difficult one to solve in the construction of these roads. This has not proved to be true. The

Philippine labor has shown itself capable of instruction, and by proper treatment of being made constant in its application. Of course, the prices of labor have largely increased, but the companies constructing the roads have found it wise to increase wages, and thereby secure greater efficiency. Even with increased wages the cost of unit of result is less in the Philippines in the construction of railways than it is in the United States. Of course, the drain on the labor supply of sugar plantations and other places where agricultural labor is employed, is great and the effect upon raising sugar and other products is to increase the cost. But I think the lesson from the construction of the railroads is that Philippine labor can be improved by instruction and can be made effective and reasonably economical by proper treatment. The coming into the islands of the capital to construct railways, of course, has had a good effect in the improvement of business conditions, but it is to be noted that in the estimate of importations the railroad material and supplies which are brought in free under the statute are not included in the totals, and therefore are not to be offered as an explanation for the very good showing in respect to the amount of imports to the islands for the last fiscal year.

GENERAL BUSINESS CONDITIONS.

Of course, the depression in certain business branches of agriculture, like sugar, tobacco and rice, due to lack of markets for the first two, and to a lack of draft animals in the production of sugar and rice has had a direct effect upon the business of the islands of a depressing character. Gradually, however, business has grown better. In spite of adverse conditions the importations of rice have decreased from \$12,000,000 gold to \$3,500,000 gold, and, while the imports as a whole have increased not to their highest previous figure, they have been maintained within four and a half millions of their highest mark, and, as already said, the exports are higher than ever in the history of the islands, the balance of trade in their favor for the last fiscal year being about five millions, exclusive of gold and silver and government and railway free entries.

I found in the islands a disposition on the part of both American and Philippine business men and of the leaders of all parties in the Philippine Assembly to make a united effort to improve business and general conditions.

BUSINESS FUTURE OF PHILIPPINES.

I do not hesitate to prophesy that during the next twenty-five years a development will take place in the agriculture and other business of the Philippine Islands, which will be as remarkable in its benefits to

the United States and the Philippine Islands as was the development of Alaska during the last ten or fifteen years. Hope of this is not what has actuated the government in pursuing the policy that it has pursued in the development of the islands, but this is as inevitable a result as if it had been directly sought, and perhaps the absence of selfishness in the development of the islands is a greater assurance of profitable return than if business exploitation by the United States had been the chief and sole motive. The growth in the production of hemp and other fiber products, in cocoanuts, in rubber and many other tropical crops and in peculiar manufactures of the islands may be looked forward to with certainty.

GOLD STANDARD CURRENCY.

One of the great benefits conferred upon the islands by the American Government has been the introduction of the gold standard. This has doubtless prevented the larger profits which were made in the old days by the purchasers of hemp and other agricultural products in the islands, who sold again in European and American markets, because under the system then prevailing, they bought in silver and sold in gold, and by watching the markets they were able to add very much to the legitimate profit of the middlemen by what constituted a system of gambling in exchanges. The same features characterized the banking in the islands. Now, however, with the gold standard the gambling feature in business is very largely eliminated. The coinage is satisfactory to the people, the silver certificates circulate well and are popular, and there seems to be no ground for complaint of the currency.

NEED OF CAPITAL—AGRICULTURAL BANK.

One of the crying needs of the Philippines is capital, and this whether it be for the development of railroads, wagon roads, manufactures, or in the promotion of agriculture. The usurious interest which has to be paid by the farmers is so high as to leave very little for his profit and maintenance and ever since we entered the islands the cry for an agricultural bank which would lend money for a reasonable interest, say, 10 per cent, has been urged upon the Commission. Last year Congress authorized the government to guarantee the interest at 4 per cent on a certain amount of capital invested in such a bank, but up to this time no one has embraced the opportunity thus offered to undertake the conduct and operation of a bank although negotiations are pending looking to such a result. It is now proposed that the government shall undertake this instead of a private individual. Experimentation has been attempted on the

friars' lands by the appropriation of \$100,000 for loans to the friar tenants to encourage them to improve agriculture, and the result of this experiment will be awaited with great interest.

The reduction of the amount of silver in the silver peso for the purpose of keeping it within the 50-cent gold value, which is the legal standard, has gone steadily on and will result ultimately in the accumulation in the treasury of a fund of \$3,000,000 gold. It is thought that part of this money might be taken to establish an agricultural bank on a governmental basis. The treasurer of the islands, Mr. Branagan, who has had large experience in banking in the islands, because his office has brought him closely into contact with it and because he has had to examine all the banks, is confident that an agricultural bank of one or two millions of dollars might be established by the government and managed by the treasury department, together with the provincial treasurers in such a way as greatly to aid the cause of agriculture in the islands. One great difficulty in the operation of an agricultural bank is the uncertainty that prevails to-day in the islands in respect to the titles of the lands which are held. The land law provided a method of perfecting titles through what is called the land court founded on the Torrens land system, which was introduced by law some years ago in the islands. The expense of surveying the lands, due to the shortness of supply of surveyors, and the time taken has made the process of settling titles rather slow, but as defects have appeared the Commission has changed them and it is hoped that this system of preparing for the business of an agricultural bank may go on apace.

POSTAL SAVINGS BANK.

A postal savings bank has been established and was first more patronized by Americans than Filipinos, but Filipinos are now taking it up and the deposits therein amount to upward of 1,000,000 pesos. There have been practically no banking facilities throughout the islands, except in Manila, Iloilo, and Cebu, and this establishment of postal savings-bank offices in a large proportion of the post-offices throughout the islands offers an opportunity to the people of moderate means to put their money in a secure place and to derive a small revenue therefrom. The insecurity of savings by Filipino farmers and others in the country has certainly reduced the motive for saving which an opportunity to deposit their money will stimulate. The exchange business of the islands has also been facilitated by statutory provisions authorizing the sale of exchange by provincial treasurers on the central treasury at Manila and vice versa.

POST-OFFICE AND TELEGRAPHS.

The post-office department, considering the conditions that exist and the difficulties of reaching remote parts of the island, has been very well managed and the offices are increasing in encouraging proportion each year.

The following table shows the increase in postal facilities from year to year of our occupation:

For fiscal year ending June 30.	Number post-offices.	Money or- der offices.	Number employees.	Stamp sales.
1900.....	19		113	228,178.86
1901.....	24	24	180	233,182.96
1902.....	90	31	331	238,418.40
1903.....	209	33	570	248,414.36
1904.....	291	63	579	224,354.61
1905.....	414	62	612	222,701.36
1906.....	476	60	1,003	425,261.50
1907.....	505	63	1,091	607,208.44

Under a system devised by Mr. Forbes, secretary of commerce and police, mail subsidies were granted to commercial lines on condition that good service at reasonable rates of transportation should be furnished upon safe and commodious steamers. The Government vessels which had previously been purchased in order to promote intercourse between the islands are now used on outlying routes where commercial lines will not take up the traffic, but are used in connection with the commercial lines, and in this way additional routes are being tested and the marine commerce between all the islands is made to increase.

By consent of the Secretary of War, and on the recommendation of the commanding general of the Philippines and the agreement of the civil government, all the telegraph lines in the islands have now been transferred to the post-office department of the civil government of the Philippines. These telegraph lines reach into the remotest provinces and to all the principal islands of the large archipelago. While there were some telegraph lines in the Spanish times, the system has grown to such proportions now as to be almost an entirely new system. It has made the government of the islands much more easy because it brings every province within half a day's communication of Manila for information and instructions from the central authority. It has furnished a most profitable instrument for business communication, and while it entails considerable burden on the civil government, it is well worth for governmental and business purposes all that it costs. I ought to say that the post-office department is rapidly training Filipinos to fill all the positions of telegraph operators, and that this materially reduces the cost of operation and at the same time furnishes an admirable technical school for great numbers of bright Filipino young men. I submit a statement of the mileage of the cables and telegraph lines operated by the Government.

1906.		Miles.	Miles.
Lines transferred to the insular government by the Signal Corps up to June 30:			
Telegraph lines	-----	3,780	
Cable lines	-----	328	
Telephone lines	-----	2,137	
Total	-----		6,245
Lines operated by the Signal Corps on June 30:			
Telegraph lines	-----	1,406	
Cable lines	-----	1,452	
Telephone lines	-----	338	
Total	-----		3,196
Total mileage of telegraph, cable, and telephone lines in operation June 30			
	-----		9,441
Number of telegraph offices	-----		161
Number of telephones in operation	-----		450

1907.

Lines transferred to the insular government by the Signal Corps since July 1, 1907		1,914.5
Total mileage of telegraph and cable lines in operation by the insular government to date		6,951

MINES AND MINING.

There has been a good deal of prospecting in the islands and gold and copper have been found in paying quantities in the mountains of northern Luzon, the provinces of Benguet and Bontoc and Lepanto, as well as in the Camarines in southeastern Luzon, and in Masbate, an island lying directly south of Luzon; but great complaint is made, and properly made, of the limitations upon the mining law which prevent the location by one person of more than one claim on a lode or vein. Mining is such a speculative matter at any rate, and the capital that one puts into it is so generally lost that it would seem that, in a country like the Philippines where development ought to be had, there should be liberal inducements for the investment of capital for such a purpose. Secretary Worcester of the interior department has frequently recommended that this limitation of the law be repealed. The Commission joins in this recommendation and I cordially concur.

While I do not favor large land holdings, I also concur in the recommendation of the secretary of the interior and the Commission that the prohibition upon corporations holding more than 2,500 acres of land be also stricken out. It certainly might well be increased to 10,000 acres if any limitation is to be imposed at all.

U. S. COASTWISE TRADING LAWS.

It is proposed by some to put in force the coastwise trading laws in respect to the navigation between the United States and the islands. I

think this a very short-sighted policy. To-day the trade between the United States and the islands, export and import, is about 28 per cent of the total. The proportion of the total export trade from the Philippines to the United States is growing and is certain to grow more rapidly in the future, especially if proper legislation is adopted in respect to sugar and tobacco. Now a coastwise trading law will exclude altogether the use of foreign bottoms between the ports of the United States and the ports of the Philippine Islands, and will confine that commerce to United States vessels. There is very grave doubt whether there are enough United States vessels to carry on this trade as it is, and even if there were they could not carry on the trade without a very great increase in freight rates over what they now are. The minute that these rates are advanced, while the rates to other countries remain the same, the trade between the islands and the United States will cease to be. There will be no trade for the vessels of the United States to carry, no one will have been benefited in the United States, and the only person who will reap advantage is the foreign exporter to whom the Philippine business house will naturally turn for exchange of products. The only method possible by which the United States vessels can be given the Philippine trade is by voting a reasonable subsidy for United States vessels engaged in that trade. Any other prohibitive or exclusive provision of law will be merely cutting off the nose to spite the face of the interest which attempts it. I feel certain that when the question of applying the coastwise trading laws to the business between the United States and the islands is fully investigated, even those representing the shipping interests that need and ought to have much encouragement will conclude that the coastwise trading laws applied to the American Philippine trade would merely destroy the trade without benefiting the shipping interests.

In the criticisms upon the Government's Philippine policy to be found in the columns of the newspapers that favor immediate separation, it has been frequently said that the coastwise trading laws of the United States apply as between islands of the Philippines. The truth is that the restrictions upon shipping between ports in the Philippine Islands are what the Legislature of the islands imposes, and Congress has made no provision of limitation in respect to them. The coastwise regulations in force within the Archipelago are as liberal as possible.

CITY OF MANILA.

The city of Manila is the social, political, and business center of the islands. It is the only large city in the islands. Its population is about 250,000, while there is no other city that exceeds 40,000 in

population. By what now has been proven to be a mistake, the Commission purchased a building which was known and used as the Oriente Hotel. It was a hotel not very well conducted, but it was the only important hotel in the city of sufficient size and dignity to induce the coming of tourists. It was hoped that the purchase of this building, which was not particularly adapted as a hotel, might lead to the construction and maintenance of a better hotel. Such has not been the result, and although there are hotels in the city of Manila, its reputation is that of being unable to furnish to the traveling public a comfortable hostelry for a short stay. This has driven away many travelers of our own country and other countries from a city that in historical interest, in beauty, and in comfort of life will compare favorably with any.

Mr. Burnham, the well-known landscape architect of Chicago, some years ago, without compensation, visited the Philippines and mapped out a plan for the improvement of the city, and laid out a plan of construction for Baguio in Benguet as the summer capital. To both of these plans, all improvements which have been attempted in the city have conformed, and if the present efficient city government continues, there is every reason to believe that Manila will become a most attractive city. A contract has been made for the leasing of ground immediately upon the Luneta and facing the bay to a firm of capitalists for the construction of a hotel to cost 500,000 pesos. It is doubtful, however, whether this capital can be raised at the present time, and if it falls through it is proposed, and I think with wisdom proposed, that the government shall erect a hotel as a public investment for the development of the city and the islands, and lease it to the best bidder.

There is no city in the world better governed than Manila. The streets are well cleaned, are well policed, there is a most excellent fire department, the parks are being enlarged and improved, the street car system is as good as any anywhere, and with the improvements in the water supply the sewerage system and esteros or canals, which are now under foot and part of which are quite near accomplished, the face which the Filipinos turn toward the world in the city of Manila will be a most pleasing one.

POLITICAL FUTURE OF THE ISLANDS.

There are in the Philippines many who wish that the government shall declare a definite policy in respect to the islands so that they may know what that policy is. I do not see how any more definite policy can be declared than was declared by President McKinley in his instructions to Secretary Root for the guidance of the Philippine

Commission, which was incorporated into law by the organic act of the Philippine government, adopted July 1, 1902. That policy is declared to be the extension of self-government to the Philippine Islands by gradual steps from time to time as the people of the islands shall show themselves fit to receive the additional responsibility, and that policy has been consistently adhered to in the last seven years now succeeding the establishment of civil government.

Having taken some part and sharing in the responsibility for that government, of course my views of the results are likely to be colored by my interest in having the policy regarded as successful, but eliminating as far as is possible the personal bias, I believe it to be true that the conditions in the islands to-day vindicate and justify that policy. It necessarily involves in its ultimate conclusion as the steps toward self-government become greater and greater the ultimate independence of the islands, although of course if both the United States and the islands were to conclude after complete self-government were possible that it would be mutually beneficial to continue a governmental relation between them like that between England and Australia, there would be nothing inconsistent with the present policy in such a result.

Any attempt to fix the time in which complete self-government may be conferred upon the Filipinos in their own interest, is I think most unwise. The key of the whole policy outlined by President McKinley and adopted by Congress was that of the education of the masses of the people and the leading them out of the dense ignorance in which they are now, with a view to enabling them intelligently to exercise the force of public opinion without which a popular self-government is impossible.

It seems to me reasonable to say that such a condition can not be reached until at least one generation shall have been subjected to the process of primary and industrial education, and that when it is considered that the people are divided into groups speaking from ten to fifteen different dialects, and that they must acquire a common medium of communication, and that one of the civilized languages, it is not unreasonable to extend the necessary period beyond a generation. By that time English will be the language of the islands and we can be reasonably certain that a great majority of those living there will not only speak and read and write English, but will be affected by the knowledge of free institutions, and will be able to understand their rights as members of the community and to seek to enforce them against the pernicious system of caciquism and local bossism, which I have attempted in this report to describe.

But it is said that a great majority of the people desire immediate independence. I am not prepared to say that if the real wish of the majority of all the people, men, women, and children, educated and

uneducated, were to be obtained, there would not be a very large majority in favor of immediate independence. It would not, however, be an intelligent judgment based on a knowledge of what independence means, of what its responsibilities are or of what popular government in its essence is. But the mere fact that a majority of all the people are in favor of immediate independence is not a reason why that should be granted, if we assume at all the correctness of the statement, which impartial observers can not but fail to acquiesce in, to wit: that the Filipinos are not now fit for self-government.

The policy of the United States is not to establish an oligarchy, but a popular self-government in the Philippines. The electorate to which it has been thought wise to extend partial self-government embraces only about 15 or 20 per cent of the adult male population, because it has been generally conceded by Filipinos and Americans alike that those not included within the electorate are wholly unable to exercise political responsibility. Now, those persons who demanded and were given a hearing before the delegation of Congressmen and Senators that visited the islands in 1905, to urge immediate independence contended that the islands are fit for self-government because there are from 7 to 10 per cent of intelligent people who are constituted by nature a ruling class, while there are 90 per cent that are a servile and obedient class, and that the presence of the two classes together argues a well balanced government. Such a proposition thus avowed reveals what is known otherwise to be the fact that many of those most emphatic and urgent in seeking independence in the islands have no thought of a popular government at all. They are in favor of a close government in which they, the leaders of a particular class, shall exercise control of the rest of the people. Their views are thus wholly at variance with the policy of the United States in the islands.

The presence of the Americans in the islands is essential to the due development of the lower classes and the preservation of their rights. If the American government can only remain in the islands long enough to educate the entire people, to give them a language which enables them to come into contact with modern civilization, and to extend to them from time to time additional political rights so that by the exercise of them they shall learn the use and responsibilities necessary to their proper exercise, independence can be granted with entire safety to the people. I have an abiding conviction that the Filipino people are capable of being taught self-government in the process of their development, that in carrying out this policy they will be improved physically and mentally, and that, as they acquire more rights, their power to exercise moral restraints upon themselves will be strengthened and improved. Meantime they will be able to see, and the American public will come to see the enormous material

benefit to both arising from the maintenance of some sort of a bond between the two countries which shall preserve their mutually beneficial business relations.

No one can have studied the East without having been made aware that in the development of China, Japan and all Asia, are to be presented the most important political questions for the next century, and that in the pursuit of trade between the Occident and the Orient the having such an outpost as the Philippines, making the United States an Asiatic power for the time, will be of immense benefit to its merchants and its trade. While I have always refrained from making this the chief reason for the retention of the Philippines, because the real reason lies in the obligation of the United States to make this people fit for self-government and then to turn the government over to them, I don't think it improper, in order to secure support for the policy, to state such additional reason. The severe criticism to which the policy of the Government in the Philippines has been subjected by English Colonial statesmen and students, should not hinder our pursuit of it in the slightest. It is of course opposed to the policy usually pursued in the English government in dealing with native races, because in common with other colonial powers, most of England's colonial statesmen have assumed that the safest course was to keep the native peoples ignorant and quiet, and that any education which might furnish a motive for agitation was an interference with the true and proper course of government. Our policy is an experiment, it is true, and it assumes the risk of agitation and sedition which may arise from the overeducation of ambitious politicians or misdirected patriots, in order that the whole body of the people may acquire sufficient intelligence ultimately to exercise governmental control themselves.

Thus far the policy of the Philippines has worked. It has been attacked on the ground that we have gone too fast, that we have given the natives too much power. The meeting of the assembly and the conservative tone of that body thus far disclosed, makes for our view rather than that of our opponents, but had the result been entirely different with the assembly, and had there been a violent outbreak at first in its deliberations and attempts at obstruction, I should not have been in the least discouraged, because ultimately I should have had confidence that the assembly would learn how foolish such exhibitions were and how little good they accomplished for the members of the assembly or the people whom they represented. The fact that this natural tendency was restrained is an indication of the general conservatism of the Filipino people.

Though bearing the name of immediate independistas, the members of the controlling party of the assembly are far from being in favor of a policy which those words strictly construed would mean.

Moreover, the recent election held, since the Assembly was organized, in which fifteen progresista and fifteen nacionalista governors were elected, is an indication that the nationalist feeling is by no means so overwhelming as was at first reported when the returns from the election of the assembly were published in the press.

The fact that Filipinos are given an opportunity now to take part in the forming of the governmental policies in the islands, will I hope satisfy many of them that the United States is in earnest in attempting to educate them to self-government, will so occupy their ambitions and minds as to make the contention for immediate independence more of an ideal than of a real issue, will make more permanent and lasting the present satisfactory conditions as to peace and tranquillity in the islands, and will turn their attention toward the development of the prosperity of the islands by improvement of its material conditions and the uplifting of the people by their education, sanitation and general instruction in their political, social and material responsibilities.

There has been in the United States in the last year a recurring disposition on the part of many of the press and many public men to speak of the Philippine policy as if foredoomed to failure, and the condition of the islands as a most deplorable one. No one who knew the islands in 1900, and who has visited them during the present year and especially during the meeting of the assembly can honestly and fairly share such views. To one actually responsible in any degree for the present conditions by reason of taking part in the government of those islands, the changes made and the progress made under the circumstances are most gratifying.

COST OF THE PRESENT GOVERNMENT OF THE ISLANDS.

The most astounding and unfair statements have appeared in the press from time to time and have been uttered by men of political prominence who should know better, in respect to the cost to the United States of the Philippine Islands. The question of the cost of the islands to the United States as affecting its future policy can not of course include the cost of a war into which the United States was forced against its will, and which whether it ought to have been carried on or not, was carried on and was finished more than five years ago. The only question of cost that is relevant to the present discussion is the cost to the United States of the maintenance of the present Philippine government, including in that the cost of the maintenance of that part of the army of the United States which is in the Philippine Islands. Nor is it fair to include the entire cost of the army of the United States in the Philippine Islands for the reason that even if we did not have the Philippines, we should certainly

retain the present size of our standing army which hardly exceeds 60,000 effective men, a very small army for 80,000,000 people. Moreover, it is worthy of note that the greatest increase in the Army of recent years has been in that branch of the service—to wit, the coast artillery—which has not been used in the Philippines for some years.

The only additional cost therefore that the maintenance of the army can be said to entail upon the United States is the additional cost of maintaining 12,000 soldiers in the islands over what it would be to maintain the same number of soldiers in the United States. This has been figured out and roughly stated amounts to about \$250 a man or \$3,000,000, together with the maintenance of 4,000 Philippine Scouts at a cost of \$500 a man, or in all \$2,000,000, which makes a total annual expenditure of \$5,000,000. The United States at present contributes something, perhaps \$200,000, to the expense of the coast survey of the islands. With this exception, there is not one cent expended from the treasury of the United States for the maintenance of the government in the islands. The additional cost of the 12,000 men in the islands, figured above at \$250 a man, includes the cost of transportation and the additional cost of food supplies and other matters.

There is an item of cost, which perhaps may be charged to the Philippine Islands. I refer to the expense of fortifying the bay of Manila, the port of Iloilo and the port of Cebu, so that in holding the islands the United States shall not be subject to sudden and capricious attack by any ambitious power. This may reach a total of ten millions. But it is hardly fair to charge this to the Philippine policy; for almost everyone concedes the necessity of maintaining and fortifying coaling stations in the Orient whether we have the Philippines or not.

The question is, therefore, whether, in order to avoid the expenditure of \$5,000,000 a year, the United States should pursue the humiliating policy of scuttle, should run away from an obligation which it has assumed to make the Philippines a permanently self-governing community, and should miss an opportunity at the same time of building up a profitable trade and securing a position in the Orient that can not but be of the utmost advantage in obtaining and maintaining its proper proportion of Asiatic and Pacific trade.

From time to time there has been quite severe criticism of the present Philippine government on the ground that it is such an expensive government as to be burdensome to the people. The facts are that the taxes which fall upon the common people are much less than they ever were under the Spanish régime. The taxes which fall upon the wealthy are considerably more, because as a matter of fact the Spanish system of taxation was largely devised for the purpose of avoiding taxation of the wealth of the islands. I have not at hand and am not able to insert in this report the figures and statistics

which demonstrate this fact. They are now being prepared in Manila, and I hope at some future date to submit them for your consideration. Not only is the comparison to be instituted with the conditions existing under the Spanish régime, but also with the taxation of other dependencies. The data with respect to these are difficult to get and frequently liable greatly to mislead when the conditions of each particular colony are not fully understood and stated. But my information is derived from Governor Smith and Mr. Forbes that the cost per capita of the government of the Philippines will compare most favorably with that of colonial governments presenting substantially similar conditions.

The reports from the governor-general, the heads of departments and of bureaus have not reached Washington. I was able before I left the islands to read informal drafts of some of them and much of the information as to the last year's operations I have derived from them. I shall submit the reports immediately upon their arrival.

RECOMMENDATIONS.

I therefore recommend:

First. That legislation be adopted by Congress admitting the products of the Philippine Islands to the markets of the United States, with such reasonable limitations as may remove fear of interference with the tobacco and sugar interests in the United States;

Second. That the present restrictions be removed as to the acquisition of mining claims and the holding of lands by corporations in the Philippines;

Third. That further legislation be passed authorizing the Philippine government, if it chooses, to open and conduct an agricultural bank, with a capital not exceeding \$2,000,000; and

Fourth. That the coastwise laws of the United States be made permanently inapplicable to the trade between the ports of the islands and the ports of the United States.

Sincerely, yours,

WM. H. TAFT.

THE PRESIDENT.



**ADDRESS BY WM. H. TAFT, SECRETARY OF WAR, AT
THE INAUGURATION OF THE PHILIPPINE
ASSEMBLY, OCTOBER 16, 1907.**

ADDRESS BY WM. H. TAFT, SECRETARY OF WAR.

GENTLEMEN OF THE ASSEMBLY: President Roosevelt has sent me to convey to you and the Filipino people his congratulations upon another step in the enlargement of popular self-government in these Islands. I have the greatest personal pleasure in being the bearer of this message. It is intended for each and every member of the Assembly, no matter what his views upon the issues which were presented in the late electoral campaign. It assumes that he is loyal to the government in which he now proposes, under oath of allegiance, to take part. It does not assume that he may not have a wish to bring about, either soon or in the far future, by peaceable means, a transfer of sovereignty; but it does assume that while the present government endures, he will loyally do all he lawfully can to uphold its authority and to make it useful to the Filipino people.

I am aware that, in view of the issues discussed at the election of this Assembly, I am expected to say something regarding the policy of the United States toward these Islands. Before attempting any such task, it is well to make clear the fact that I can not speak with the authority of one who may control that policy.

The Philippine Islands are territory belonging to the United States, and by the Constitution, the branch of that Government vested with the power, and charged with the duty, of making rules and regulations for their government is Congress. The policy to be pursued with respect to them is, therefore, ultimately for Congress to determine. Of course, in the act establishing a government for the Philippine Islands passed by Congress July 1, 1902, wide discretion has been vested in the President to shape affairs in the Islands, within the limitations of the act, through the appointment of the Governor and the Commission, and the power of the Secretary of War to supervise their work and to veto proposed legislation; but not only is the transfer of sovereignty to an independent government of the Filipino people wholly within the jurisdiction of Congress, but so also is the extension of any popular political control in the present government beyond that conferred in the organic act. It is embarrassing, therefore, for me, though I am charged with direct supervision of the Islands under the President, to deal in any way with issues relating to their ultimate disposition. It is true that the peculiar development of the government of the Islands under American sovereignty has

given to the attitude of the President upon such issues rather more significance than in most matters of exclusively Congressional cognizance. After the exchange of ratifications of the treaty of Paris in April of 1899, and until the organic act of July 1, 1902, Congress acquiesced in the government of the Islands by the President as Commander in Chief of the Army and Navy without interference, and when it passed the organic act it not only confirmed in every respect the anomalous quasi-civil government which he had created, but it also made his instructions to the Secretary of War part of its statute, and followed therein his recommendation as to future extension of popular political control. This close adherence of Congress to the views of the Executive in respect to the Islands in the past gives ground for ascribing to Congress approval of the Philippine policy, as often declared by President McKinley and President Roosevelt. Still, I have no authority to speak for Congress in respect to the ultimate disposition of the Islands. I can only express an opinion as one familiar with the circumstances likely to affect Congress, in the light of its previous statutory action.

The avowed policy of the National Administration under these two Presidents has been and is to govern the Islands, having regard to the interest and welfare of the Filipino people, and by the spread of general primary and industrial education and by practice in partial political control to fit the people themselves to maintain a stable and well-ordered government affording equality of right and opportunity to all citizens. The policy looks to the improvement of the people both industrially and in self-governing capacity. As this policy of extending control continues, it must logically reduce and finally end the sovereignty of the United States in the Islands, unless it shall seem wise to the American and the Filipino peoples, on account of mutually beneficial trade relations and possible advantage to the Islands in their foreign relations, that the bond shall not be completely severed.

How long this process of political preparation of the Filipino people is likely to be is a question which no one can certainly answer. When I was in the Islands the last time, I ventured the opinion that it would take considerably longer than a generation. I have not changed my view upon this point; but the issue is one upon which opinions differ. However this may be, I believe that the policy of the Administration as outlined above is as definite as the policy of any government in a matter of this kind can safely be made. We are engaged in working out a great experiment. No other nation has attempted it, and for us to fix a certain number of years in which the experiment must become a success and be completely realized would be, in my judgment, unwise. As I premised, however, this is a question for settlement by the Congress of the United States.

Our Philippine policy has been subjected to the severest condemnation by critics who occupy points of view as widely apart as the two poles. There are those who say that we have gone too fast, that we have counted on the capacity of the Filipino for political development with a foolish confidence leading to what they regard as the disastrous result of this election. There are others who assert that we have denied the Filipino that which is every man's birthright—to govern himself—and have been guilty of tyranny and a violation of American principles in not turning the government over to the people of the Islands at once.

With your permission, I propose to consider our policy in the light of the events of the six years during which it has been pursued, to array the difficulties of the situation which we have had to meet and to mention in some detail what has been accomplished.

The Civil Government was inaugurated in 1901 before the close of a war between the forces of the United States and the controlling elements of the Philippine people. It had sufficient popular support to overawe many of those whose disposition was friendly to the Americans. In various provinces the war was continued intermittently for a year after the appointment of a Civil Governor in July, 1901. This was not an auspicious beginning for the organization of a people into a peaceful community acknowledging allegiance to an alien power.

Secondly, there was, in the United States, a strong minority party that lost no opportunity to denounce the policy of the Government and to express sympathy with those arrayed in arms against it, and declared in party platform and in other ways its intention, should it come into power, to turn the Islands over to an independent government of their people. This not only prolonged the war, but when peace finally came, it encouraged a sullenness on the part of many Filipinos and a lack of interest in the progress and development of the existing government, that were discouraging. It offered the hope of immediate independence at the coming of every national election by the defeat of the Administration at the polls. This was not of assistance in carrying out a policy that depended for its working on the political education of the people by their cordial participation, first, in the new municipal and provincial governments, and finally in the election of a National Assembly. The result has been that during the educational process there has been a continuing controversy as to the political capacity of the Filipino people. It has naturally been easy to induce a majority of the electorate to believe that they are now capable of maintaining a stable government. All this has tended to divert the people's attention from the existing government, although their useful participation in that must measure their progress toward fitness for complete autonomy.

The impatience of the popular majority for further power may be somewhat mitigated as the extent of the political control which is placed in the hands of the people increases, and as they become more familiar with the responsibilities and the difficulties of actual power. The difference between the attitude of an irresponsible critic who has behind him the easily aroused prejudices of a people against an alien government, and that of one who attempts to formulate legislation which shall accomplish a definite purpose for the good of his own people is a healthful lesson for the ambitious statesman to learn.

Other formidable political obstacles had to be overcome. There still remained present in the situation in 1901 the smoldering ashes of the issues which had led the people to rebel against the power of Spain—I mean the prospective continuance of the influence of the regular religious orders in the parochial administration of the Roman Catholic Church in the Islands and their ownership of most valuable and extensive agricultural lands in the most populous provinces. The change of sovereignty to a Government which could exercise no control over the Church in its selection of its agents made the new régime powerless, by act or decree, to prevent the return of the friars to the parishes, and yet the people were disposed to hold the Government responsible whenever this was proposed. It would have been fraught with great danger of political disturbance. It was also essential that the religious orders should cease to be agricultural landlords in order to eliminate the agrarian question arising between them and sixty thousand tenants which had played so large a part in the previous insurrections against Spain. These results were to be attained without offending, or infringing upon the rights of, the Roman Catholic Church, the influence of which for good in the Islands could not be denied. Other political difficulties attending the transfer of a sovereignty from a Government in which the interests of the State and the Church were inextricably united to one in which they must be absolutely separated, I need not stop to elaborate. The religious and property controversies arising out of the Aglipayan schism, and the disturbances caused, added much to the burden of the Government.

The novelty of the task for the United States and her people, the lack of the existence of a trained body of colonial administrators and civil servants, the dependence for a time upon men as government agents who had come out in a spirit of adventure to the Islands and some of whom proved not to be fitted either by character or experience for the discharge of responsible public duties, gave additional cause for discouragement.

Another great difficulty in working out our policy in these Islands has been the reluctance of capitalists to invest money here. Political

privileges, if unaccompanied by opportunities to better their condition, are not likely to produce permanent contentment among a people. Hence the political importance of developing the resources of these Islands for the benefit of its inhabitants. This can only be done by attracting capital. Capital must have the prospect of security in the investment and a certain return of profit before it will become available. The constant agitation for independence in the Islands, apparently supported by the minority party in the United States, and the well-founded fear that an independent Philippine government now established would not be permanent and stable have made capitalists chary of attempting to develop the natural resources of the Islands. The capital which has come has only come reluctantly and on terms less favorable to the public than would have been exacted under other conditions.

Another difficulty of the same character as the last in preventing material progress has been the failure of Congress to open the markets of the United States to the free admission of Philippine sugar and tobacco. In every other way Congress has shown its entire and generous sympathy with the policy of the Administration; and in this matter the popular branch of that body passed the requisite bill for the purpose by a large majority. Certain tobacco and sugar interests of the United States, however, succeeded in strangling the measure in the Senate committee. I have good reason for hope that in the next Congress we may be able to secure a compromise measure which shall restore the sugar and tobacco agriculture of the Islands to its former prosperity, and at the same time by limitations upon the amounts of importation allay the fears of injury on the part of the opponents of the measure. Still, the delay in this much-needed relief has greatly retarded the coming of prosperous times and has much discouraged supporters of our policy in America who have thought this indicated a lack of national purpose to make the present altruistic policy a success.

But the one thing that interfered with material progress in the Islands, more than all other causes put together, was the rinderpest which carried away from 75 to 80 per cent of the cattle that were absolutely indispensable in cultivating, reaping, and disposing of the agricultural products upon which the Islands are wholly dependent. The extent of this terrible disaster can not be exaggerated and the Islands have not yet recovered from it. Attempts to remedy the evil by the importation of cattle from other countries have proved futile, and the Islands can not be made whole in this respect except by the natural reproduction of the small fraction of the animals that escaped destruction. This is not a matter of a year, or of two years or of three years, but a matter of a decade. Then, too, there were in these years surra, locusts, drought, destruc-

tive typhoons, cholera, bubonic plague and smallpox, ladronism, and pulajanism. The long period of disturbance, of guerrilla warfare and unrest, which interfered for years with the carrying on of the peaceful arts of agriculture and made it so easy for those who had been used to work in the fields to assume the wild and loose life of predatory bands claiming to be liberating armies, all made a burden for the community that it was almost impossible for it to bear.

When I consider all these difficulties, which I have rehearsed at too great length, and then take account of the present conditions in the Islands, it seems to me that they present an occasion for profound satisfaction and that they fully vindicate the policy which has been pursued.

How have we met the difficulties? In the first place, we have carried out with entire fidelity the promises of Presidents McKinley and Roosevelt in respect to the gradual extension of political control in the Government as the people should show themselves fit. In 1901 the Commission adopted the Municipal Code, which vested complete autonomy in the adult male citizens of every municipality in the Islands, except that of Manila, which for special reasons, like those which have prevailed with respect to the government of the city of Washington, was preserved for control by the Central Government. The electorate was limited to those who could speak English or Spanish, or who paid a tax of ₱15 a year, or who had filled municipal office under the Spanish régime, and did not exceed 20 per cent of the total adult males of the population. Very shortly after this a form of provincial government was established in which the legislative and executive control of the province was largely vested in a provincial board consisting of a governor and treasurer and supervisor. Provision was made for the election of a governor and the appointment under civil-service rules of a treasurer and supervisor. Subsequently it was found that the government was too expensive and the office of supervisor was finally abolished, and after some four years the board was made to consist of a governor and treasurer, and a third member elected as the governor was, thus effecting popular autonomy in the provincial governments. And now comes the Assembly.

It is said by one set of critics, to whom I have already referred, that the franchise is the last privilege that ought to be granted in the development of a people into a self-governing community, and that we have put this into the hands of the Filipinos before they have shown themselves to be industrially and in other ways capable of exercising the self-restraint and conservatism of action which are essential to political stability. I can not agree with this view. The best political education is practice in the exercise of political power, unless the subject is so ignorant as to be wholly blind to his own

interests. Hence the exercise of a franchise which is conferred only on those who have qualifications of education or property that prove intelligence and substance, is likely to teach the electorate useful political lessons. The electorate under the Philippine law are sufficiently alive to their own interests to make the exercise of political power a useful training for them, while the power to be exercised is subject to such limitation as not to be dangerous to the community. More than this, the granting of the franchise was most useful in producing tranquillity among the people. The policy has been vindicated by the fact.

The importance of the agency of the Army of the United States in suppressing insurrection I would not minimize in the least; but all who remember clearly the succession of events from 1901 to 1903 will admit that the return to peace and the acquiescence of the Filipino people in American sovereignty were greatly influenced and aided by the prospect held out to the Filipinos of participation in the government of the Islands and a gradual extension of popular self-control. Without this and the confidence of the Filipino people in the good purposes of the United States and the patience with which they endured their many burdens that fate seemed to increase, the progress which has been achieved would have been impossible.

Let us consider in some detail what progress has been made:

First. To repeat what I have said, the Islands are in a state of tranquillity. On this very day of the opening of the National Assembly, there has never been a time in the history of the Islands when peace and good order have prevailed more generally. The difficulties presented by the controversies arising with and concerning the Roman Catholic Church have either been completely settled or are in process of satisfactory adjustment on a basis of justice and equity.

Second. Most noteworthy progress has been made in the spread of general education. One of the obstacles to the development of this people speaking half a dozen or more different native dialects was a lack of a common language, which would furnish a medium of sympathetic touch with modern thought and civilization. The dense ignorance of a very large proportion of the people emphasized the necessity for a general educational system. English was the language of the sovereign power, English was the business language of the Orient, English was the language in which was thought and written the history of free institutions and popular government, and English was the language to which the common people turned with eagerness to learn. A system of education was built up, and to-day upward of half a million children are being taught to read, write, and recite English. It is not an exaggeration to assert that now more native Filipinos speak English than Spanish, although Spanish

was the language of the ruling race in these Islands for more than two hundred and fifty years. English is not so beautiful as the Spanish language, but it is more likely to prove of use to the Filipinos for the reasons I have given. The strongest basis for our confidence in the future of the Filipino people is the eagerness with which the opportunities extended for education in English have been seized by the poor and ignorant parents of these Islands for their children. It is alike pathetic and encouraging.

I am not one of those who believe that much of the public money should be expended here for university or advanced education. Perhaps one institution merely to form a type of higher education may be established at Manila or at some other suitable place in the Islands, and special schools to develop needed scientific professions may be useful, but the great part of the public funds expended for education should be used in the spread of primary education and of industrial education—that education which shall fit young men to be good farmers, good mechanics, good skilled laborers, and shall teach them the dignity of labor and that it is no disgrace for the son of a good family to learn his trade and earn his livelihood by it. The higher education is well for those who can use it to advantage, but it too often fits a man to do things for which there is no demand, and unfits him for work which there are too few to do. The enlargement of opportunity for higher education may well await private beneficence or be postponed to a period when the calls upon the Island Treasury for other more important improvements have ceased. We have laid the foundation of a primary and industrial educational system here which, if the same spirit continues in the Government, will prove to be the most lasting benefit which has been conferred on these Islands by Americans.

Third. We have introduced here a health department which is gradually teaching the people the necessity for sanitation. In the years to come, when the great discoveries of the world are recited, that which will appear to have played as large a part as any in the world's progress in the current hundred years will be the discovery of proper sanitary methods for avoiding disease in the Tropics. The introduction of such methods, the gradual teaching of the people the simple facts affecting hygiene, unpopular and difficult as the process of education has been, will prove to be another one of the great benefits given by Americans to this people.

The efforts of the Government have not been confined to preserving the health of the human inhabitants of these Islands, but have been properly extended to doing what can be done in the matter of the health of the domestic animals which is so indispensable to the material progress of the Islands. The destruction by rinderpest, by surra, and by other diseases to which cattle and horses are subject, I have already dwelt upon. Most earnest attention has been given by

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men of the highest scientific attainment to securing some remedy which will make such widespread disasters in the future impossible. Much time and effort and money have been spent and much has been accomplished in this matter. The people are being educated in the necessity for care of their cattle and for inviting in public aid at once when the dread rinderpest shows its presence. Serums have been discovered that have been effective to immunize cattle, and while the disease has not disappeared, it is not too much to say that such an epidemic as that which visited the Islands in 1900, 1901, and 1902 is impossible.

Fourth. A judicial system has been established in the Islands which has taught the Filipinos the possibility of the independence of a judiciary. This must be of enduring good to the people of the Islands. The personnel of the judges is divided between Americans and Filipinos, both for the purpose of aiding the Americans to learn and administer civil law and of enabling the Filipinos to learn and administer justice according to a system prevailing in a country where the judiciary is absolutely independent of the executive or legislative branches of the Government. Charges have been made that individual judges and particular courts have not been free from executive control and have not been without prejudices arising from the race of the particular judge who sat in the court, but on the whole an impartial review of the six years' history of the administration of justice will show that the system has been productive of the greatest good and that right has been sustained without fear or favor. It is entirely natural that a system which departs from the principles of that in which one has been educated should at times attract his severe animadversion, and as the system here administered partakes of two systems, it is subject to the criticism of those trained in each.

Another agency in the administration of justice has been the Constabulary. When I was here something more than two years ago, the complaints against that body were numerous, emphatic, and bitter. I promised, on behalf of the Philippine government and the Washington Administration, that close investigation should be made into the complaints and that if there was occasion for reform, that reform would be carried out. It gratifies me on my return to the Islands now to learn that a change has come, that the complaints against the Constabulary have entirely ceased, and that it is now conceded to be discharging with efficiency the function which it was chiefly created to perform, of sympathetically aiding the provincial governors and municipal authorities of the Islands in maintaining the peace of each province and each municipality, and that there is a thorough spirit of coöperation between the officers and men of the Constabulary and the local authorities.

In respect to the administration of justice by justices of the peace, reforms have been effected, but I am not sure that there is not still great room for improvement. This is one of the things that come home close to the people of the country and is a subject that will doubtless address itself to the wise action and consideration of the National Assembly.

Fifth. We come to the matter of public improvements. The port of Manila has been made into a harbor which is now as secure as any in the Orient, and which, with the docking facilities that are now being rapidly constructed, will be as convenient and as free from charge and burden as any along the Asiatic coast. The improvements in Iloilo and Cebu harbors, the other two important ports of the Islands, are also rapidly progressing. Road building has proceeded in the Islands, both at the instance of the Central Government and through the agency of the provinces. The difficulties of road building and road maintaining in the Philippines are little understood by those not familiar with the difficulty of securing proper material to resist the enormous wear and tear caused by the torrential downpours of the rainy season. Progress in this direction must necessarily be gradual, for the Islands are a poor country, comparatively speaking, and roads are expensive.

Early in the history of the Islands we began the construction of a road from Pangasinan to the mountains of Benguet in order to bring within the reach of the people of the Islands that healthful region where the thermometer varies from 40 to 80 degrees, and in which all the diseases of the Tropics are much more easily subject to cure than in the lowlands. Had it been supposed that the road thus to be constructed would involve an expense of nearly two millions of dollars, the work would not have been begun, but, now that the road has been constructed, I would not undo what has been done even if it were possible. As time progresses, the whole Province of Benguet will be settled; there will be made the home of many educational institutions, of many sanitariums, and there will go, as transportation becomes cheaper, the Filipino people to obtain a change of air and acquire a renewed strength that is given to tropical peoples by a visit to the temperate zone.

When the Americans came to the Islands there was one railroad 120 miles long, and that was all. In spite of circumstances, which I have already detailed, making capital reluctant to come here, contracts have now been entered into, that are in the course of fulfillment, which in five years will give to the Islands a railroad mileage of 1,000 miles. The construction of these roads will involve the investment of twenty to thirty millions of dollars, and that in itself means an added prosperity to the country, additional demands for labor, and the quickening of all the nerves of trade. When the work is finished, it means a

great additional profit to agriculture, a very great enlargement of the export capacity of the Islands, and a substantial elevation of the material condition of the people.

In the matter of municipal improvements, which directly concern the people, that which has taken place in Manila is most prominent. The improvement of the streets, the introduction of a satisfactory street railway system 35 miles in length, the improvement of the general appearance of the city and its hygienic condition, the construction of new waterworks and a new sewage system, all strike one who knew the city in 1900. The improvements of other municipalities in the Islands have not kept pace with those in Manila, and of course they were not so imperatively needed; but the epidemics of cholera and plague and smallpox which have prevailed have convinced those in authority of the necessity of bettering the water supply of all municipalities and for improving this by the sinking of artesian wells and other means, so that bad water, that frightful source of the transmission of disease, should be reduced to a minimum.

The government now maintains and operates a more complete system of posts, telephones, and telegraphs than ever before in the history of the Islands. Seventy-five per cent of the 652 municipalities now established in these Islands have post-offices, in 235 of which there are now opened for business postal savings banks. The telegraph or telephone now connects all of the provincial capitals with Manila and more than 90 offices are now open for business. Appropriation has been made to provide for a system of rural free delivery. In less than one year of operation the Postal Savings Bank has deposits exceeding ₱600,000, and the number of Filipino depositors now exceeds 1,000, and the proportion of their deposits is steadily increasing.

Sixth. We have inaugurated a civil service law for the selection of civil servants upon the merit system. On the whole it has worked well. It has grown with our experience and has improved with the disclosure of its defects.

One of the burning questions which constantly presents itself in respect to the civil service of a Government like this is, how far it shall be American and how far Filipino. In the outset it was essential that most of the civil servants of the government should be Americans. The government was English speaking, and the practical difficulty of having subordinates who did not speak that language prevented large employment of Filipinos. Then their lack of knowledge of their American governmental and business methods had the same tendency. The avowed policy of the government has been to employ Filipinos wherever, as between them and Americans, the Filipinos can do equally good work. This has given rise to frequent and bitter criticism, because it has been improperly assumed that every time that

there has been a vacancy, it could be filled by a Filipino. There are two great advantages in the employment of Filipinos—one is that this is the government of the Filipinos and they ought to be employed where they can be, and the other is that their employment is a matter of economy for the government, because they are able to live more cheaply and economically in the Islands than Americans and so can afford to receive less salary. There has therefore been a constant reduction of American employees and an increase of Filipinos. This has not been without its disadvantage because it makes competent American employees feel an uncertainty of tenure, and materially affects their hope of promotion and their interest in the government of which they are a part. This disadvantage I believe can be largely obviated.

There are many American civil servants in this government who have rendered most loyal, difficult, and efficient service, in season and out of season, through plague and epidemic, in sickness and in health, in full sympathy with the purposes and policy of the government. Without them our government would have been a complete failure. They will never receive adequate reward. Their interest in their work has prevented their return to their native land, where the same energy and efficiency would have earned them large return. They are most valuable public servants who have done a work that, had they done it in the English colonial service or at home, would have been certain to secure to them a permanent salary and entire freedom from anxiety as to the future. I would be glad to see adopted a system of permanent tenure and retirement on pensions for the small and higher classes of civil employees. Their continuance in the government indefinitely is a public necessity. I sincerely hope the Philippine Assembly will exhibit its spirit of justice and public interest to the point of concurring in such a measure even though this, at present, will be of benefit to more Americans than Filipinos.

Seventh. In the progress which has been made, I should mention the land system, the provision for homestead settlement, for free patents, and for perfecting of imperfect titles by land registration. The homestead settlements under the law were very few for several years, but I am delighted to learn that during 1907 they reached 4,000 and the free patents applied for were 10,600. It is probable that the machinery for land registration, though necessary, is too expensive, and it will be for you to decide whether, in view of the great public benefit that good land titles will bring to the country, it may not be wise to reduce the cost of registration to the landowner and charge the expense to the government. Capital will not be advanced to the farmer unless his title is good, and the great benefit of an agricultural bank can never be realized until the registration of titles is greatly increased.

This naturally brings me to the subject of the Agricultural Bank. After much effort Congress was induced to pass an act which authorizes the Philippine Government to invite the organization of such a bank with private capital by guaranteeing an annual income of a certain percentage on the capital invested for thirty years. Negotiations have been opened and are pending with some American capitalists in the hope of securing the establishment of such a bank.

The condition of agriculture in the Islands while generally much improved in the last three years is still unsatisfactory in many parts of the Islands, due not only to the continued scarcity of cattle but also to the destructive effect of the typhoon of 1905 upon the hemp culture. This has properly led to the suspension of the land tax for another year and the meeting of half the deficit in provincial and municipal treasuries thus produced, out of the central treasury.

The production of rice has, however, materially increased. It is also a source of satisfaction to note that the exports from the Islands, which are wholly agricultural, are larger in value by half a million gold dollars than ever in the history of the Islands. One of the chief duties of this Assembly is to devote its attention and practical knowledge to measures for the relief of agriculture.

Eighth. The financial condition of the Philippine government is quite satisfactory, and so, too, is the state of the money and currency of the Islands. There is a bonded indebtedness for the purchase of the friar lands amounting to \$7,000,000, for the waterworks and sewage of Manila of \$3,000,000, and for public works amounting to \$3,500,000. Sinking funds have been established for all of these. The price paid for the friar lands was a round one and may result, after the lands are disposed of, in some net pecuniary loss to the Government, but the political benefit of the purchase was a full justification. The lands will be disposed of to the tenants as rapidly as the public interest will permit. The only other permanent obligation of the government is the contingent liability on the guaranty of interest for thirty years on the bonds issued to construct 300 miles of railroad in the Visayas. We may reasonably hope that this obligation will soon reduce itself to nothing when the roads come into successful operation. The Governor-General reports to me that the budget for 1908 will show an income and surplus from last year, without any land tax, from which it will be possible to pay all the interest on the bonds and guaranties, all the insular expenses, the proper part of the expenses of Manila, \$2,000,000 in permanent improvements, and still have on hand for contingencies \$1,000,000. I am further advised that the condition of most of the provinces is excellent in respect to income and surplus.

It has been necessary to reduce the silver in the Philippine peso to keep its intrinsic value within the value of 50 cents, gold, at which

it is the duty of the government to maintain it, and this change is being rapidly carried through without much difficulty. The benefit to the people, and especially the poorer and working classes, in the establishment of the gold standard is very great. It eliminates a gambling feature from the business of the Islands that always worked for the detriment of the Philippine people. We are just carrying through a settlement with the Spanish-Filipino Bank which I hope will provide a means of safely adding to the currency of the country and increasing its elasticity.

In recounting these various evidences of progress in the last six years I am not unmindful that the business of the Islands is still far from prosperous. Indeed, it is noteworthy that so much progress has been made in the face of continued business depression due to the various causes I have elsewhere enumerated; but it is a long lane that has no turning and I look forward to the next decade in the history of the Islands as one which will be as prosperous as this one has been the reverse. Business is reviving, the investment of foreign capital is gradually increasing and only one thing is needed to insure great material improvement, and that is the continuance of conservatism in this Government. I feel confident that the inauguration of this Assembly, instead of ending this conservatism as the prophets of evil would have it, will strengthen it.

Before discussing the Assembly, I wish to give attention to one report that has been spread to the four corners of the globe, and which, if credited, might have a pernicious effect in these Islands. I refer to the statement that the American Government is about to sell the Islands to some Asiatic or European power. Those who credit such a report little understand the motives which actuated the American people in accepting the burden of this Government. The majority of the American people are still in favor of carrying out our Philippine policy as a great altruistic work. They have no selfish object to secure. There might be a grim and temporary satisfaction to those of us who have been subjected to severe criticism for our alleged lack of liberality toward the Filipino people and of sympathy with their aspirations, in witnessing the rigid governmental control which would be exercised over the people of the Islands under the colonial policy of any one of the powers to whom it is suggested that we are about to sell them; but that would not excuse or justify the gross violation, by such a sale, of the implied obligation which we have entered into with the Filipino people. That obligation presents only two alternatives for us—one is a permanent maintenance of a popular government of law and order under American control, and the other, a parting with such control to the people of the Islands themselves after they have become

fitted to maintain a government in which the right of all the inhabitants to life, liberty, and property shall be secure. I do not hesitate to pronounce the report that the Government contemplates the transfer of these Islands to any foreign power as utterly without foundation. It has never entered the mind of a single person in the Government responsible for the Administration. Such a sale must be the subject of a treaty, and the treaty power in the Government of the United States is exercised by the President and the Senate, and only upon the initiative of the President. Hence an Executive declaration upon this subject is more authoritative than an Executive opinion as to probable Congressional action.

Coming now to the real occasion of this celebration, the installation of the National Assembly, I wish, for purposes of clearness, to read the section of the organic act under which this Assembly has been elected:

That two years after the completion and publication of the census, in case such condition of general and complete peace with recognition of the authority of the United States shall have continued in the territory of said Islands not inhabited by Moros or other non-Christian tribes and such facts shall have been certified to the President by the Philippine Commission, the President upon being satisfied thereof shall direct said Commission to call, and the Commission shall call, a general election for the choice of delegates to a popular assembly of the people of said Territory in the Philippine Islands, which shall be known as the Philippine Assembly. After said Assembly shall have convened and organized, all the legislative power heretofore conferred on the Philippine Commission in all that part of said Islands not inhabited by Moros or other non-Christian tribes shall be vested in a legislature consisting of two houses—the Philippine Commission and the Philippine Assembly. Said Assembly shall consist of not less than fifty nor more than one hundred members, to be apportioned by said Commission among the provinces as nearly as practicable according to population: *Provided*, That no province shall have less than one member: *And provided further*, That provinces entitled by population to more than one member may be divided into such convenient districts as the said Commission may deem best.

Public notice of such division shall be given at least ninety days prior to such election, and the elections shall be held under rules and regulations to be prescribed by law. The qualification of electors in such election shall be the same as is now provided by law in case of electors in municipal elections. The members of Assembly shall hold office for two years from the first day of January next following their election, and their successors shall be chosen by the people every second year thereafter. No person shall be eligible to such election who is not a qualified elector of the election district in which he may be chosen, owing allegiance to the United States, and twenty-five years of age.

The Legislature shall hold annual sessions, commencing on the first Monday of February in each year and continuing not exceeding ninety days thereafter (Sundays and holidays not included): *Provided*, That the first meeting of the Legislature shall be held upon the call of the Governor within ninety days after the first election: *And provided further*, That if at the termination of any session the appropriations necessary for the support of the government shall not have been made, an amount equal to the sums appropriated in the last appropriation bills for such purposes shall be deemed to be appropriated; and until the Legislature shall act in such behalf the Treasurer may, with the advice of the Governor, make the payments necessary for the purposes aforesaid.

The Legislature may be called in special session at any time by the Civil Governor for general legislation, or for action on such specific subjects as he may designate. No special session shall continue longer than thirty days, exclusive of Sundays.

The Assembly shall be the judge of the elections, returns, and qualifications of its members. A majority shall constitute a quorum to do business, but a smaller number may adjourn from day to day and may be authorized to compel the attendance of absent members. It shall choose its Speaker and other officers, and the salaries of its members and officers shall be fixed by law. It may determine the rule of its proceedings, punish its members for disorderly behavior, and with the concurrence of two-thirds expel a member. It shall keep a journal of its proceedings, which shall be published, and the yeas and nays of the members on any question shall, on the demand of one-fifth of those present, be entered on the journal.

I can well remember when that section was drafted in the private office of Mr. Root in his house in Washington. Only he and I were present. I urged the wisdom of the concession and he yielded to my arguments and the section as then drafted differed but little from the form it has to-day. It was embodied in a bill presented to the House and passed by the House, was considered by the Senate, was stricken out in the Senate, and was only restored after a conference, the Senators in the conference consenting to its insertion with great reluctance. I had urged its adoption upon both committees, and, as the then Governor of the Islands, had to assume a responsibility as guarantor in respect to it which I have never sought to disavow. I believe that it is a step and a logical step in the carrying out of the policy announced by President McKinley and that it is not too radical in the interest of the people of the Philippine Islands. Its effect is to give to a representative body of the Filipinos a right to initiate legislation, to modify, amend, shape, or defeat legislation proposed by the Commission. The power to obstruct by withholding appropriations is taken away from the Assembly, because if there is not an agreement as to appropriations between the Commission and the Assembly, then the appropriations of the previous year will be continued; but the power with this exception, absolutely to veto all legislation and initiate and shape proposed laws is a most substantial one. The concurrence of the Assembly in useful legislation can not but command popular support for its enforcement; the discussion in the Assembly and its attitude must be informing to the executive and to the other branch of the legislature, the Commission, of what are the desires of people. The discharge of the functions of the Assembly must give to the chosen representatives of the Philippine electorate a most valuable education in the responsibilities and difficulties of practical government. It will put them where they must investigate not only the theoretical wisdom of proposed measures, but also the question whether they can be practically enforced and whether, where expense is involved, they are of sufficient value to justify the imposition of a financial burden upon the people to carry them out. It will bring the members of the Assembly as representatives of the people into close

relations with the Executive, who will be most anxious to preserve a harmony essential to efficient government and progressive, useful measures of reform.

Critics who do not sympathize with our Philippine policy, together with those who were reluctant to grant this measure of a legislative assembly to the Philippine people at this time, have not been slow to comment on the result of the election as an indication that we are going too fast. I differ entirely from the view of these critics as to the result of this election and the inferences to be drawn from it.

The small total vote as compared with the probable number of the total electorate shows that a considerable majority of those entitled to vote did not exercise the privilege. This indicates either an indifference or a timidity that we would not find in a people more used to the wielding of political power; but it affords no reason for supposing that as the Assembly proves its usefulness and important power, the ratio of votes to the total electorate will not rapidly increase.

The election was held without disturbance. In many districts there were bitter controversies, but the complaints of fraud, violence, or bribery are insignificant. Although the Government was supposed to favor one party, and was subject to much criticism in the campaign, no one has been heard to say that the power of the Executive was exerted in any way improperly to influence the election. This furnishes a good object lesson.

A popular majority of those who exercise the franchise have voted for representatives announcing a desire for the immediate separation of the Islands from the United States. This majority is a small one when the returns are carefully considered and is much less than the ratio between the party representatives in the Assembly would lead one to suppose. However, assuming a decided majority for immediate independence, the result is one which I thought possible even while I was urging the creation of the Assembly. It is not a disappointment. If it indicated that a majority of the representatives elected by the people were a body of irreconcilables determined to do nothing but obstruct the present government, it would indeed be discouraging; but I am confident from what I know and hear of the gentlemen who have been elected that while many of them differ with me as to the time in which the people of the Islands will become fit for complete self-government, most of them have an earnest desire that this government shall be carried on in the interests of the people of the Philippines and for their benefit, and shall be made for that purpose as effective as possible. They are thus generally conservative. Those whose sole aim is to hold up the government to execration, to win away the sympathy of the people in order to promote disturbance and violence, have no proper place

in this Assembly. Had the Filipino people sent such a majority, then I should have to admit that the granting of the Assembly was a mistake and that Congress must abolish it.

It has been reported in the Islands that I was coming here for the purpose of expressing, in bitter and threatening words, my disappointment at the result of the election. Nothing could be further from my purpose, nothing could be less truly descriptive of my condition of mind. I am here, filled with a spirit of friendship and encouragement for these members, who now enter upon a new field in which they have much to learn, but where everything can be learned and this duty most efficiently discharged if they are led by an earnest desire to assist and guide the government in aiding the people. I have no right to appeal to the members of this Assembly to conduct themselves in the discharge of their high duties in a manner to vindicate me in the responsibility I assumed in urging Congress to establish this Assembly, because they should find a stronger reason for so doing in their sworn duty; but it is not inappropriate for me to touch on this personal feature of the situation, because my attitude has been misconstrued and my sympathetic interest in, and hope for, the success and usefulness of this National Assembly have not been properly stated.

I venture to point out a number of things that you will learn in the course of your legislative experience. One is that the real object of a legislature is to formulate specific laws to accomplish specific purposes and reforms and to suppress specific evils; that he makes a useful speech who studies the question which he discusses and acquires and imparts practical information by which the remedies offered can be seen to be applicable to the evil complained of; that the office of a legislator for a great country like this is one that can be discharged conscientiously only by the use of great labor, careful, painstaking investigation and hard work in the preparation of proposed measures. One of the most necessary traits in a successful legislator or executive is patience. Where the sudden change in that which is regarded as a wrong system may paralyze a necessary arm of the government, ways and means must be devised to bring about the change gradually. There will be a temptation to take up measures which will invite the support of popular prejudice rather than measures which will really accomplish good for the body politic. Such a temptation exists in older legislative bodies than this, and we can not hope that it will be absent from here; but, in the end, the man who exerts the most influence in this body and among the people will be the man who devotes most conscientiously his time to acquiring the information upon which legislation should be based and in explaining it to his colleagues and his people. The man who is seeking to put his adversary or the government in an embarrassing situation may win tem-

porary triumph; but the man who himself feels responsibility of government, and who, while not concealing or failing to state the evils which he considers to exist in the government, is using every effort to reform those evils, will ultimately be regarded as the benefactor of his country.

I have not the time and doubtless not the information which would justify me in pointing out to the Assembly the various subjects-matter to which they may profitably devote their attention with a view to the formulation of useful legislation. They will properly feel called upon to devote their attention to public economy in the matter of the numerous governmental bureaus which have been made the subject of criticism. It is quite possible that they may find in their investigations into these matters reasons for cutting off officers and bureaus, but I sincerely hope that no such effort will be made until a full investigation is had into the utility of the functions which the bureau performs and the possibility of dispensing with them. I can remember that while I was Governor there was much outcry against the extravagance of maintaining certain bureaus which in subsequent crises in the public welfare proved their great usefulness beyond cavil. Of course we shall encounter in this investigation and discussion a radical difference between legislators and others as to the function which a government in these Islands ought to perform. It is entirely easy to run an economical government if all that you do is to maintain order and if no steps are taken to promote health, to promote education, and to promote the general welfare of the inhabitants. It is of course the object of the person charged with the duty of governing a country to reach the golden mean—that is, to make governmental provisions for the welfare of the people without imposing too great a tax burden for the purpose. The taxes in this country are imposed partly by the legislature and partly by Congress. The former will constantly have your attention. In so far as the welfare of the country is affected by the latter, to wit, the customs duties, and can be improved by a change of them, it would be wise for the Legislature to devote much time and thought to recommendations to Congress as to how they should be changed, for I doubt not that Congress will be willing and anxious to take such steps as may commend themselves to the people of the Islands in the matter of adjustment of duties, having regard to the raising of sufficient revenue on the one hand and to as little interference with useful freedom of trade as possible on the other.

As you shall conduct your proceedings and shape your legislation on patriotic, intelligent, conservative, and useful lines, you will show more emphatically than in any other way your right and capacity to take part in the government and the wisdom of granting to your Assembly and to the people that elected you, more power. There

are still many possible intervals or steps between the power you now exercise and complete autonomy. Will this Assembly and its successors manifest such an interest in the welfare of the people and such clear-headed comprehension of their sworn duty as to call for a greater extension of political power to this body and to the people whose representative it is? Or shall it, by neglect, obstruction, and absence of useful service, make it necessary to take away its existing powers on the ground that they have been prematurely granted? Upon you falls this heavy responsibility. I am assured that you will meet it with earnestness, courage, and credit.

In closing, I can only renew my congratulations upon the auspicious beginning of your legislative life in a fair election, and to express to you my heartfelt sympathy in the work which you are about to undertake, and my confidence that you will justify in what you do, and do not do, the recommendations of those who are responsible for that section in the organic act that has given life to this Assembly.

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